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Co-operative National
Emergency Conference,
London, 1917
Report

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The Co-operative Union Ltd.



REPORT

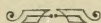
OF THE

Co-operative National Emergency Conference

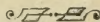
Held in the Central Hall, Westminster,
London, S.W., Oct. 17th and 18th, 1917,

2nd Report of the Deputation to the
Prime Minister,

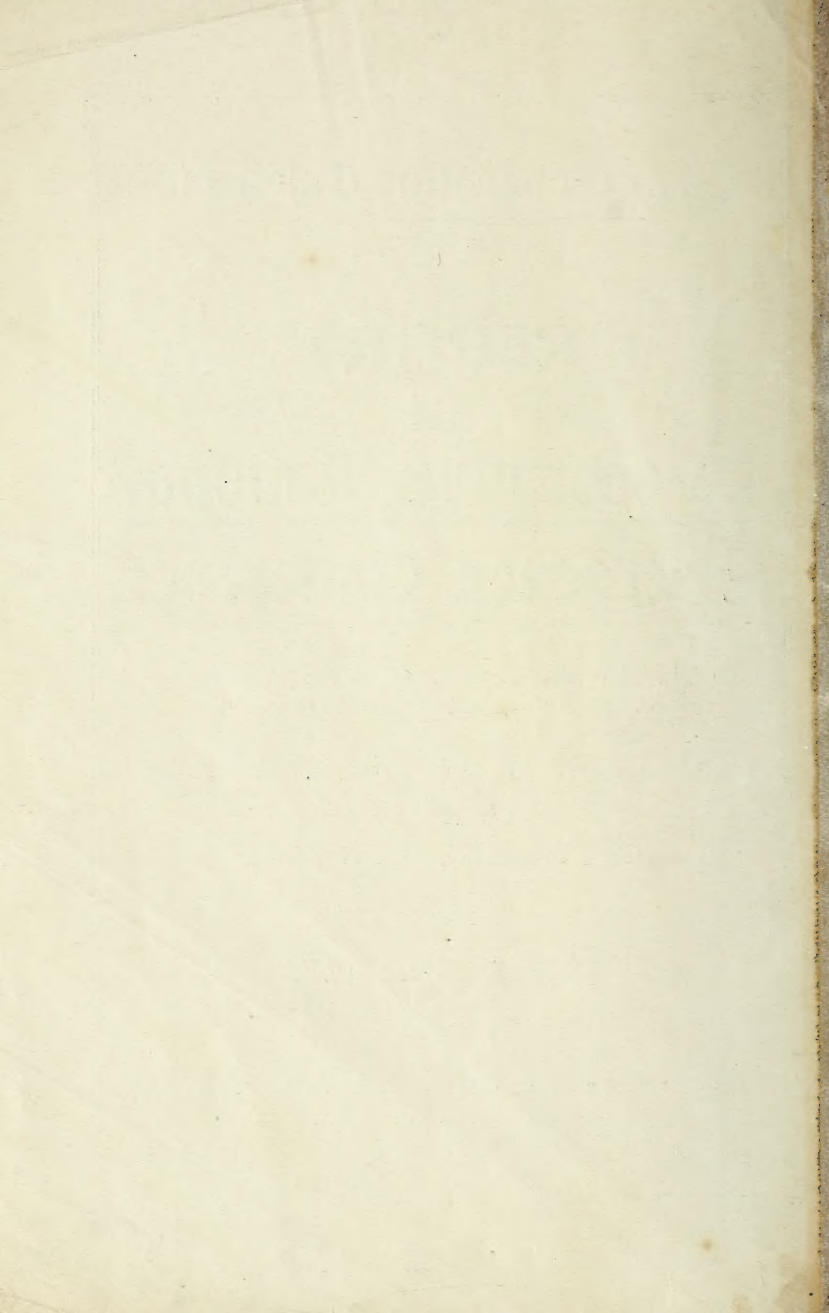
On Wednesday, Oct. 31st, 1917.



PRICE 3D. NET.



PUBLISHED BY THE CO-OPERATIVE UNION LTD.,
HOLYOAKE HOUSE, HANOVER STREET,
MANCHESTER.



The Co-operative Union Limited.



Co-operative National : : Emergency Conference

Held in the Central Hall,
Westminster, London, S.W.,

Wednesday, October 17th, and
Thursday, October 18th, 1917.



President - - MR. T. W. ALLEN

(Chairman of the Joint Parliamentary Committee
of the Co-operative Congress, and Director,
Co-operative Wholesale Society Ltd.).



Also ...

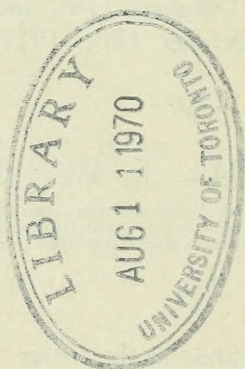
Report of the Deputation to the Prime Minister,
on Wednesday, October 31st, 1917.



Manchester :

Published by THE CO-OPERATIVE UNION LIMITED,
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FOREWORD.

OUR Special Emergency Conference has come and gone. It was frequently referred to, both by the platform and the "floor," as an "epoch-making" conference; and so it was. Questions of vital importance to the co-operative movement were discussed in a businesslike way, and the unanimity which prevailed, except on matters of detail, was an "outward and visible sign," which could not be mistaken, that the delegates knew their goal, and that, if at all possible, they were determined to reach it.

Vigorous criticism was made by many speakers regarding the attitude of the Government towards the co-operative movement on such matters as excess profits, representation on official committees, and the treatment which co-operative societies have experienced at the hands of the military authorities; and the delegates generally expressed disappointment, to put their protest in the mildest form, that the Joint Parliamentary Committee had failed, although they had made many attempts, to reach the Prime Minister for the purpose of placing the case for co-operation before him. Parenthetically, it may be stated—and to many this is regarded as an interesting sequel to the Conference—a deputation from the Parliamentary Committee was received the following week by the Prime Minister, who

promised that the grievances put forward should have every consideration. (A report of the deputation is published as an Appendix on page 123).

Another important matter brought before the Conference was the question of direct representation in the House of Commons. It will be remembered that the Annual Congress of the Co-operative Union, held at Swansea at Whitsuntide, passed a resolution in favour of co-operators being represented in Parliament, and the business of the Special Emergency Conference was to devise ways and means of putting it into operation. The scheme finally agreed to is given as an insert to this report, and it is very desirable that committees and officials, and through them members of the various co-operative organisations, should familiarise themselves with it; and to give them that opportunity is, as a matter of fact, the reason why the Co-operative Union has published this pamphlet.



THE CONFERENCE.

FIRST DAY.

THE conference was held in the Central Hall, Westminster (close by the House of Commons), on Wednesday, October 17th, and the following day, and the chairman of the Joint Parliamentary Committee (Mr. W. T. Allen) presided. There were over nine hundred delegates present, and they represented over five hundred societies.

CHAIRMAN'S ADDRESS.

The Chairman, on rising to open the proceedings, had a great reception. He said:—

FELLOW CO-OPERATORS,—

We have come to London at great expense of time and money, not that we have either to waste at any period, but because we are being played a cruel game which it is our duty to publicly expose, both in the interests of the movement and of clean government; and also because we believe a National Emergency Conference to be the only way of meeting the situation in which we find ourselves.

We have pitched our tent as near as possible between Downing-street and the Houses of Parliament because the burden of our complaint is directed against those two centres of privilege—(hear, hear)—and our hope is that by the time our two days' task is done, both centres will not only have heard the echo of our grievances, but will be aware of our plans for their adjustment.

[It is said that "causes are not wrecked by being blown up, but by being sat upon." *As a movement we are simply being "sat on" by Cabinet, by Parliament, by Government Departments, their Committees and Commissions.* (Hear, hear.) It may be one of the ways of making our domestic democracy impossible, but, if I know anything of the new spirit of our movement, it is the least likely to succeed. Our methods may have led them to believe we were a subservient, peace-loving people of no political importance—a people content to play at revolutionising society and creating a new social order by shopkeeping for each other. If that is their only reading, they have misread us badly. (Hear, hear.) Having so read us, we will show them another photograph of ourselves which may prove of interest.

Unique Conference.

This Conference is unique in co-operative history. Forty-nine times we have met in Annual Congress; once or twice we have found ourselves in a political atmosphere; but, generally speaking, we were content to record our annual mileage on the road of industrial evolution. The war came as a revealer of motive; showing the best in average humanity, laying bare the worst in trade and finance. Chambers of Commerce had long studied our growth, and knew its significance; they understood our goal, and long sought to frustrate it. In the days of peace they made little headway with their propaganda. It was the war that enabled them to use the political machine to our hurt. *And, since the political machine has been successfully invoked to our injury, we reply by organising, for the first time, a political conference.* (Hear, hear.) If justice under the law is a question of privilege, or influence, or social status, then for society's sake we must take a hand with all democratic forces, that vested interests, powerful as they are, shall not over-rule the common good.

Our methods will reveal themselves as we proceed with our Conference. Our programme, of necessity, is

three-fold in character ; retrospective, introspective, and prospective. The past explains our presence here, and gives value to the immediate hour and its duty. In our private session we shall have things to say to ourselves—necessary things, in order that we may play the game unitedly, with understanding and with one common policy for the whole movement in the new commercial and industrial conditions which are daily unfolding. Clearing the ground on these two points, we shall proceed to our programme of reconstitution—the building of a new co-operative order.

First, then, what of the past—the past that has brought us together? It is a report of failure. The Swansea Congress gave emphatic instructions that certain of our grievances should be brought to the immediate notice of the Government—grievances that were and are of grave concern. We sought an interview with the Prime Minister, and were turned down. Our appeal was to the representative head of the people—but the “first commoner” is the last to consider the Co-operative Commonwealth as we understand it. While the Cabinet has listened to, is consulting with, and appointing business men to a share in the Government, and taking credit for the making of a new commercial and industrial order, the greatest “consumers’ movement” the world has known is quietly ignored. We want to judge generously ; diplomacy may be a thing beyond analysis, but we affirm there can be no more fruitful source of ill-will than even the appearance of partiality of rulers to the governed. Our principles have stood every modern test. No movement has a better record of real national services. To dismiss us without a hearing was at once a blunder and a slight.

Food Control Grievances.

Second, in order only, but not in degree, is our grievance with regard to Food Control. We have long urged that there can be no fair dealing with the control and distribution of supplies until those in power show, by act as well as speech, that this is above all a consumers’ ques-

tion. The preponderance of public over private interests is essential at all times—especially in times of war. A so-called business Government has brought into existence over 250 committees and commissions to deal with internal public good. Who speaks for the people on these commissions? Will you count their numbers—tell their names—examine their business and political record? Weigh the Co-operative Movement on one side, as an organisation concerned mainly in feeding one-fourth of the British population, against the vested interests of trade and commerce on the other. You will soon learn where the “balance of power” lies. *For nearly three years the Government played with food control. The net result was to preserve inviolate the profits of a class which have been fleecing the people from time immemorial. (Hear, hear.)* The Government failed through unwillingness or fear to take strong action, and Lord Rhondda will fail unless there is a wider and larger co-operation with those who stand directly for the consumer—unless there is the maximum of co-operation between the people and his Department. We are assured that the superfluous middleman has been practically eliminated, but we are not convinced. The brutal fact is that, though Government Orders multiply, prices are higher than necessary. The Government may issue Orders until they have consumed all the available supply of paper, but they will continue to find their efforts frustrated on present lines. *If profiteering is being eliminated, how comes it that an expectant Chancellor is anticipating a £200,000,000 Budget from excess profits alone? (Hear, hear.)* Profiteering is an ugly fact—but something more serious is at hand. There is not enough food to go round on the old lines. We are only at the beginning of rationing. Failure to control prices bred unrest; any failure to regulate supplies will provoke revolt. If food control is to succeed, and full confidence established, there must be a partnership between consumer and controller. Advisory Committees have provided “new cover” for the “old gang” to practise old methods. If we are to be saved from chaos and famine, full advantage

will have to be taken of disinterested experience and the best-known methods of feeding the people.

The Military Tribunals.

The treatment of the Co-operative Movement at the hands of Military Tribunals has revealed the ugly fact that those in high authority have no sympathy whatever with democratic ideals for which they profess to be carrying on the war. We are a people's movement. We have been flatly and openly told that the trade and commerce of the country can be carried on without the existence of co-operative societies; 3,081 new companies, with a capital of £46,000,000, have been allowed to come into existence within a year. No room for co-operation, but limited liability companies may multiply by the thousand.

Whatever the motive of the Excess Profits Act, it has proved itself a fruitful parent of national ill. It legalised an ancient evil. It was an easy Chancellor's easy method of perpetuating the old order with all the authority of new law. It blessed profiteering; enshrined it in the volume of the law as a national benefactor. It opened a new road to usury out of the very needs of the people. It is the breeder of our unrest; the originator of the iniquity of war bonuses. In the interests of the people it is a huge common failure; in the interests of capitalists a creator of more wealth.

Co-operators "Twice Cursed."

As co-operators we are twice cursed under the Act. As consumers we are made victims to the operations of the Tax; as traders we are unjustly made contributors to the ill-gotten gains. Had it been so designed, there could not be a more effective tax for crippling co-operators. Was the late Chancellor the originator of this strange device, or was there patriotic commercial pressure to sweep us into the Act and out of existence? Having scored an injustice against us, we are still further threatened. We are to be "inquired into" by a Commission. It is reported that the present Chancellor has made up his mind

that co-operative societies must be prepared to contribute a greater share of taxation. Whether the Chancellor has made up his mind, or others are busy making up his mind for him, I do not know. The point is we have to make up our minds—(hear, hear)—that be our purpose as a movement ever so helpful in improving the social status of the neediest, nothing is hallowed or sacred or safe to-day but that which can prove itself to the satisfaction of our accusers.

It will be seen that our grievances are cumulative. But our strength is not in the greatness of our wrongs, but in our capacity to overcome them. We need no further lessons. We know now what is wanted, and whither we are tending. Henceforth, and for the better expression of our co-operative will, we take our rightful place in the social order. Man has to be freed from the intolerable burden of being a producer of profits for others, and for this tremendous effort every democratic force must march side by side in mutual understanding.

Co-operators and Trade Unionists.

Our first effort is in the direction of a fuller understanding with the trade unionists. With goodwill (and there is goodwill) the thorniest of problems can be solved. Democracy is not in the gift of any party; it is a thing to be created. It will be revealed ultimately only by those to whom democracy is a living principle—to those who consciously strive to realise it—who rest in a common faith, work through common action to a common goal. Trade unionists and co-operators are each powerful in their own realm. Both movements have made up their mind that industry in all its forms shall be for public service, and not for the growth and further entrenchment of capital. The leaders have generally understood each other—that understanding must work through to each unit of the rank and file. Each must give the best in itself to the other, and together we must forge that new unity which will make our weapons doubly powerful in economic action. (Hear, hear.)

Co-operation as a National Asset.

Co-operation is a theory of society and, therefore, a legitimate basis for a political party. If there is still any doubt as to the need for political action, this Conference will settle that doubt. We have things to safeguard, things to stand for, things to achieve. *During this great war every country in Europe has used co-operation more freely, and valued it more highly as a national asset, than Great Britain.* ("Shame.") In France, co-operation has been discovered as a national force. Profiteering made its appearance even at the Front in the distribution of the supplies placed at the disposal of the troops by private enterprise. The French Government promptly checked it by subsidising the co-operative movement to take up the work of supplying necessities on honest lines. When private traders threatened to defeat the endeavours of the French Government to maintain food supplies at reasonable prices to the civil population, as the butchers threatened to do in England, the Government asked the co-operators to do the work, and the fullest interests of the consumers have been secured.

In Switzerland, the co-operative movement has been used to seriously meet the needs of the population by methods of food economy, such as the municipal supply of meals, which is a mere sideshow to our Ministry of Food. In Russia, co-operation has been the one great force in maintaining the distribution of necessities and giving something like stability to the State in its newest form. Even Germany has a leading co-operator as its assistant Food Controller. It is only in democratic, enlightened Britain that co-operation has been relegated to the back bench. Our Government Departments, ever tardy in co-operation with each other, have been united in their opposition to that co-operation which is purely co-operative and of the people. The people's elected have failed us—they have given over government to the self-elected. To-day the State in its final analysis is the expression of the will of capital.

In foreign affairs capital rules. The beginnings of the nineteenth century were marked by a struggle between the Crown and Foreign Ministry for the control of foreign policy. The Ministry won, and foreign policy became prey to the capitalist. Henceforth financial interests were the levers that moved the world. The people became the mere pawns in the evil game played on the chess-board of Europe. Capital's foreign policy is preparation for war ; ours must be the preservation of peace. Capital builds on the philosophy of power ; we must build on the philosophy of responsibility.

We have allowed capital to house us for rent and interest. The result is not only an evil, but a crime against civilisation, a disgrace to national health and wealth. Our housing is a symptom of an attitude towards industry and those engaged in it, which is immoral and inhuman. We must work for national housing because we want homes : homes which are the basis alike of personal happiness, civic prosperity, and national greatness. Capital is already looking to new tariffs as a means of alleviating those burdens of direct taxation that are bound to come. It is significant that the Colonial Office is now in the hands of two Tariff Reformers. *The difference between us and the Prime Minister is that we think to-day of these old " new Empire " builders exactly as he used to think.* The threatened economic war after the war will not secure a better world for our children, but a worse world. It is a policy that will make war and the preparation for war the only serious occupation of men and nations.

The Enemy of Education.

Capital has ever been the enemy of education, and we must place it in the forefront of our programme as the prime essential for the realisation of democracy. We must press for education in all forms and all spheres of industrial life, especially in the direction of creating a more vital and vigorous organisation in the minds of the workers, that they may know not merely what they want, but how to get and retain it. If, recently, vested interests have shown

unwonted zeal for more intelligent and capable workers, it is that with their aid they may start a new war of industry and commerce. The net result for the workers will be that they will learn to injure each other more scientifically and efficiently. But we demand an educational programme free from all taint of commercialism—a programme in which the health and well-being—physical, moral, mental—of each unit of the State shall be the one goal that matters.

The Representation of the People's Bill is the most democratic leap this country has been asked to take by any British Government. We must press for its full realisation. Once realised it will mean that every arena in the arts, sciences, laws, medicine, local, municipal, and national Government will be open—and rightfully open—to women equally with men. And it is especially to the women of the co-operative movement, with their on-coming power, that we look to send the ball we have started rolling to its political goal.

We say, "God bless our native land," but we curse our land system. While the nation remains an abstraction, and the consumer an isolated individual, the landed interest abides a solid well-organised reality. It is the one interest that has completely triumphed over Governments during the war. Of all the obstacles to that complete democracy of which we dream, there is no greater than property, especially landed property. Ownership, that all-devouring appetite, is the great separator. All our social remedies are but palliatives until the State is owner of the soil and receiver of all its revenue.

" Our Greatest Enemy."

But it is capital as profiteer that has been proved our greatest enemy. The evil is known. One form or another of collective control is now inevitable. So far the Government's only answer is the setting up of a commercial civil service, the establishment of a new commercial caste system of administrative control over factory and work-

shop. It will not suffice. Nationalised production must be a reality and not a sham. Voluntary co-operation in distribution must be supplemented by State co-operation in industry. Let us away with that nest of parasites who intrude themselves into the processes of production and distribution. *It is the profiteer that has made every advance in wage valueless, and will continue to do so, as long as the Government's only palliative to his methods is an inflation of the currency.* (Hear, hear.)

In the name of the Co-operative Union I welcome you to this Conference. We said at the beginning we were here in the interests of clean government—for the full recognition of our rights within the State. All institutions are man made; all law is alterable; all rule can be over-ruled. What is bad in the State must be resisted until destroyed. Even the good must give place to the better. Co-operation and democracy have yet to come into their own. The rule of “profit maker” must give place to the rule of “profit bringer.” The new breath is upon us. *There is no more peace for us until we have achieved the definite triumph of our principles.* Let us rejoice that we are weighed by the responsibility and obligations of our ideals—ideals that, if we will, shall shatter the traditions, smash the conventions, and carry us to new, if perilous, enterprise for country and humanity. (Loud applause.)

The Chairman: We will now have a statement from our General Secretary with regard to amendments.

The General Secretary: We propose to work on the same basis as Congress; therefore, any further amendments must be sent in before twelve o'clock to-day, signed by five delegates representing five societies.

The Chairman: I will now call upon Mr. Allan (director of the Scottish Wholesale Society) to move a resolution.

THE ATTITUDE OF THE PRIME MINISTER TOWARDS THE CO-OPERATIVE MOVEMENT.

Mr. Allan: The resolution I have to propose is as follows:—

That this conference desires to place on record its indignation at the contempt with which the present Prime Minister has treated British co-operators, not only in refusing to receive the deputation appointed to place the grievances of the movement before him, but also at his failure to take any steps, after repeated appeals, to recognise the existence or usefulness of the co-operative movement in the present national crisis.

The conference further pledges itself to organise to the fullest extent its political power, in order that co-operators may compel from this and other Governments that measure of common justice and recognition of their special economic position which the ordinary claims of loyal citizenship have so far failed to secure.

If there is one feature more than another (said Mr. Allan) which the war has demonstrated more clearly than anything else, the one predominant amidst many others, it is the complete inefficiency of our party system of government; while combined with this, the manner and conduct of some of our Heaven-sent Cabinet Ministers, during the three years of storm and stress this country has been called upon to go through, is neither understandable nor appreciable. The co-operative movement, as a great part of the democracy in this country, has had revealed to it in no uncertain way who are its friends, and who its foes, in seeking to obtain the emancipation of the masses from the thralldom of poverty, and in their efforts on behalf of the toiling masses to secure a larger measure of the fuller life. (Hear, hear.) We now know what evils have been inflicted upon us, and such knowledge can no longer deceive even the most unwary voter. What has happened during these three weary years must always happen when incapacity seizes the reins of government. "The Minister," to quote the words of Bolingbroke, "who grows less by his elevation, like a little statue placed on a mighty pedestal, will always have a jealousy of power strong about

him. He must, of course, always select a faction so composed to answer his purposes, of men servilely obsequious, or extremely inferior to himself in talent. Whenever this happens, the sign of venality, of prostitution, of ignorance, of futility, of dulness, commences."

What position did our movement take up at the outbreak of this present war?

When war was declared against Germany, and the nation was called to arms in the name of liberty, co-operation in every phase and form, in defence of the Motherland, with all her interests, gave a decided lead throughout the country by offering the Government every available man they could give, and with the men, they gave the assurance that those men going in their country's service would have their situations secured to them if spared to return, with liberal financial allowances fixed upon their dependents. (Hear, hear.)

We have formed funds in relief of distress caused by the war—funds for both branches of the service—soldiers and sailors; funds for Belgian refugees, Poles, and Serbians; funds for every phase of Red Cross work; funds in relief of our brave sons wounded and convalescent. (Hear, hear.)

Our flour mills and woollen mills; all our food producing factories; our soap works' products for munition purposes; our boot and clothing factories gave almost their entire production, placing these at the service of the Government in the most cheerful and public-spirited manner. (Hear, hear.)

Unlike the Government, who decried profiteering while it encouraged the profiteer, the co-operative movement, both productive and distributive, from the opening of hostilities until now, have in all their various departments banned profiteering in every shape and form. We have steadily kept down prices so that the consumer and the Government might have the fullest advantages arising therefrom. Those methods of business we have pursued with the full knowledge that those in high authority, both inside and outside Parliament, did not possess clean hands so far as profiteering is concerned, notwithstanding the necessity for protecting and saving the people from relentless foes at home. This work we have cheerfully undertaken because of the fact that there was no other force in readiness,

or better equipped to do so. How was this movement rewarded for the work so undertaken?

We have been taxed on what the Government called "Excess Profits," as if our dividends or savings were on a level with profits from shipping, coal, railways, &c. We have heard of the proverbial "hen roost"; was there ever a "hen roost" so complacently robbed of its golden treasure than by such methods of taxing as the "Excess Profits Duty"? a burden wrongfully placed by the Government upon our societies with the result that hundreds of thousands of pounds were drawn into the coffers of the Chancellor of the Exchequer, practically drained from the very poorest people in the country. (Hear, hear.)

Further, have not our Food Control Committees throughout the country been seized and converted by private traders into points of vantage to further their own ends and to the discomfiture of the co-operative movement? If Lord Rhondda's instructions for the appointment of Food Control Committees had been imperative instead of permissive, there would have been some sense of "fair play" in fixing up this machinery. No one can deny the spirit of preferential treatment in favour of private traders as against co-operators. (Hear, hear.) What of the Wheat Commission, and the Sugar Commission, the Milk, and Coal, and Butcher's Meat Control, on none of which have the co-operators obtained any representation whatever, or who will deny the right of so large a body as ours—representing fifteen million consumers, and doing a trade of 165 million pounds every year—to reasonable advisory representation according to the magnitude of our trade, coupled with the necessary machinery employed, and the large business relations entailed? Then consider how the movement has been treated at the Military Tribunals throughout the country. It has been the prerogative of presiding private traders in dealing with co-operative employees in their appeals to discuss the merits and demerits of co-operation. They have had to stand the snubs, gibes and taunts, and insolent diatribes from those biased administrators, and we are not ignorant of cases where action has been taken to close some of our stores by the removal of salesmen from our shops.

Grievances such as these compelled us to seek an interview with the Prime Minister. This we were denied, and he distinctly re-

fused to see us, although he was graciously pleased to receive deputations from the farmers, the bankers, and the Jockey Club. These bodies Lloyd George considered of much greater importance than the interests of the masses represented by co-operation. What a change has come over the Premier and the Lloyd George, who once confessed that as he grew older and mingled with the world, he saw how oppression, active and passive, often goes with wealth and power, and that not only material sustenance but education and the right to think were denied the vast preponderance of the population by those who, through inheritance, accident, or hardihood, had secured the good things of the earth. (Applause.) Then, we are told by his historian, every nerve within him quivered in revolt, and his ardent spirit was leaping forward to fight what he then regarded as giants of evil—the systems and the customs which gave individuals the power to hold down those who could not help themselves. Such were the opinions held by Lloyd George at one period of his career; but since then the author of the Limehouse speech has attained the purple of the Premiership, and has gone back on many of the opinions he formerly held. His exhilarating references to members of the House of Lords have been replaced by invitations to some of them to join him as Ministers in the Cabinet of which he is head. His mobile mind is ever adapting itself to what he considers the exigencies of the times. No doubt he would give good reasons for the change; nevertheless the fact remains, and this in itself somewhat explains his attitude towards the co-operative movement now.

Let this Conference assembled, therefore, not only condemn the attitude taken by the Prime Minister and his Government, but let us organise our political power and compel this and other Governments to give to us that full measure of common justice and recognition our special economic position commands. We demand the liberty of the subject and equality of opportunity. We are at war with the profiteer and all those capitalistic forces which batten and fatten on the consumer, and which in any way bar our progress or threaten our liberty. We seek the alliance of the Government, and if this is refused, then let us prepare ourselves to deal effectively with the Government.

I move this resolution, and trust it shall not only find acceptance but that it be adopted unanimously.

Mr. W. Gallacher (S.C.W.S. director): I rise to second this resolution. The crux of this question is the insult offered to your people and your movement by Mr. Lloyd George. Keep that in mind, for, at the moment, nothing else matters. (Hear, hear.) At the Swansea Congress it was almost unanimously agreed that we should adopt the principle of Parliamentary representation. The committee were instructed to interview the Prime Minister with regard to certain matters. Courtesy should have dictated to the Prime Minister that when a movement such as ours asked an interview—no matter what was its object—he should hear what we had to say. It might perhaps be unpleasant and might not suit him; but as the head of the democracy—and Mr. Lloyd George is the apostle of democracy. (Laughter, and a voice: "Once!") Well, he is still holding on to the mantle—(laughter); and it is not upon Lord Curzon or Sir Edward Carson that it is going to descend. (Laughter, and "Hear, hear.") A movement which embraces a third of the people of this land; and a movement that has done so much good, and is doing so much to raise the standard of living in this country, should not be in the position of having to beg from Mr. Lloyd George or from anyone else for an interview—(loud applause)—in order to put its case and have its grievances recognised. (Renewed applause.) Of course, you only got what you deserved in a way—(hear, hear)—but that does not excuse Mr. Lloyd George who, as the head of the democracy, and as Prime Minister and first commoner, ought to have heard us. (Applause.) But, he played a flier game; and if he has one attribute in his character it is his shrewdness. Would he have done with the trade union movement what he has done with the co-operative movement? (Voices: "No!") Has he been doing it with the trade union movement? (Voices: "No!") Are we of less importance to the constituency we represent? ("No!") Is our place of less importance than that of the trade unions that we should be slyly laid aside because we happen to be co-operators? Is there any more virtue in trade unionism than there is in co-operation? Yet there happens to be one trade union leader—Robert Smillie (applause)—at the lifting of whose little finger Mr. Lloyd George trembles in his shoes. (Laughter and applause.) Why is that? Mr. Smillie is a very mild and genial gentleman—(laughter): he is, by no means, a pugilist. (Renewed laughter.)

But Mr. Smillie has behind him the strongest organisation and the most determined trade union that this country knows. ("Hear, hear," and loud applause.) Let us take the lesson. We have to be organised, and be able to enforce our demands, and not have to go cap in hand pleading to Mr. Lloyd George or anyone else for our rights. (Renewed applause.) Behind our cause there must be some driving power. We must have power and force behind our cause, or Mr. Lloyd George—even Parliament itself—will not listen to us. We have had injustices innumerable enforced upon us, and we must have power to enforce our demand for the removal of these. (Loud applause.)

The Chairman: Since the programme of our proceedings was made public, there have been developments in certain quarters, and I think it is quite fitting and proper that you should know exactly what has happened since the agenda for this conference was placed in the hands of societies. For this purpose I am going to ask Mr. May (secretary of the Joint Parliamentary Committee) to carry the matter to the stage at which we have now arrived. (Applause.)

Several delegates rising at once: We cannot hear what is being said.

The Chairman: I understand that if the delegates who want to speak will come on to the platform and face the gallery they will be heard quite distinctly.

Mr. May: I don't like the exhortation of the chairman that we should speak to the gallery. I think when you have heard the few remarks I have to make and listened to one or two letters I have to read, you will agree with me that speaking to the gallery is the prerogative of Downing-street. (Laughter.) May I, Mr. Chairman, briefly summarise the position before I read Mr. Lloyd George's latest co-operative effusion. Mr. Allen (the chairman) and Mr. Allan (mover of the resolution) have both given you a fair idea of what we have gone through in the way of correspondence and "turnings down" during a period which extends over nearly five months, and in estimating the letters I am going to read, will you please remember the correspondence began in May. So that, as I say, the correspondence has been going on for five months. We have had several communications franked by the Prime Minister. They have not been signed by the Prime Minister, but that is not cus-

tomary. Other people have replied saying that the matters have had his consideration and so on. Without giving you the whole of the details of the correspondence, let me say that I wrote to the Prime Minister at the beginning of May conveying the Parliamentary Committee's considered resolutions on (a) food control, (b), sugar distribution, and (c) the use of co-operative organisations by the State; but received no reply. I wrote to the Prime Minister again on June 6th, enclosing copies of the resolutions of the Swansea Congress, asking him to receive a deputation, and pointing out that no reply had been received to the letter sent him on May 2nd. The day following, Mr. Cecil Harmsworth, M.P. (one of the special secretaries whose business it is to place information on important matters before the Prime Minister), wrote me saying that the Prime Minister regretted that my letter dated May 2nd had not been replied to, and asking me to call at Downing-street to discuss with him (Mr. Harmsworth) both letters. I agreed to do so, but when I waited upon Mr. Harmsworth, I made it quite clear that the interview was simply for the purpose of explaining our position, and was not to take the place of a deputation or of a reply to the letters sent to the Prime Minister. At the close of the interview, Mr. Harmsworth promised to lay the matter fully before the Prime Minister, and to recommend him to receive our deputation. About this time the Government were in search of a new Food Controller, and the question of a co-operative Food Controller was considered, as was also the proposal of a Board of Control, but both were eventually turned down. The heat generated by the Swansea Congress led the Government to make private inquiries as to whether the co-operators meant business. Evidently they came to the conclusion that we did not; at any rate, on June 19th, the Prime Minister suggested that we should see Lord Rhondda, who had been belatedly persuaded to take the position of Food Controller, and that if we still wished to see him he would make arrangements accordingly. I saw Lord Rhondda personally, and later our deputation also waited on him. But that did not do away with our desire to see the Prime Minister, and I wrote him to that effect on June 27th, but did not get any reply.

Subsequently the military position becoming very acute for many of our societies, we wrote direct to the War Office, and asked for the immediate redress of specific cases. We got no reply for

some time, and when we did, it was not from Lord Derby but from a subordinate officer of the Director of Recruiting giving the stereotyped reply that the matter was in the discretion of the tribunals, and adding that they could not give "exceptional treatment" to co-operative societies. "Exceptional treatment" is what we have been having, and that is what we are complaining about. (Hear, hear.) However, in view of the unsatisfactory reply, I wired, on July 7th, to the Prime Minister as follows:— "No reply yet received re deputation as per my letters 6th and 27th of June. Matter is urgent." The wire was formally acknowledged by the Prime Minister's private secretary, who described my wire as "of the 10th July." I wrote on July 14th to the Prime Minister's private secretary asking for an explanation of discrepancy in dates, as I had to report to my committee, who were indignant at the contempt with which they were treated by the Prime Minister. On July 18th, I received a letter from the Prime Minister's secretary, saying my wire of July 7th was only received on July 10th, having been delayed through the air raid. Now if it takes three days for a telegram to reach the Prime Minister when the Government have control of all the wires, you can calculate for yourselves how long it will take you to wire that you won't be home to-night. (Laughter.) The letter from the Prime Minister's secretary continued as follows: "Mr. Lloyd George has asked me to express his regret that, owing to his many and pressing engagements, he is quite unable at the present time to arrange a meeting with the Parliamentary Committee of the Co-operative Congress. I understand, however, that some of the points you mentioned have been brought to the notice of the Food Controller." I can only repeat what Mr. Allan has said,— that after several communications to the Prime Minister, replied to on his behalf, after an interview of an-hour-and-a-half with Mr. Cecil Harmsworth, another interview with Sir David Shackleton (Ministry of Labour) after representations to Lord Rhondda, to mention only the chief points in six weeks' communications, for the Prime Minister to send us a message that "he is quite unable at the present time to arrange a meeting with the Parliamentary Committee of the Co-operative Congress," is an absolute and definite "turn down" of our request. (Hear, hear.) But having read the letter, I will leave the matter. No further communication passed until October 4th, when, no doubt spurred by the publicity

which has been given to the programme for our National Conference, the Prime Minister's secretary spoke to me on the telephone and said that the Prime Minister was now prepared to receive our deputation, and suggested Monday, October 8th, for the interview. I replied that I was afraid it was too late for the Parliamentary Committee to fall in with the suggestion, as our Special Emergency Conference had already been arranged—(hear, hear)—and that, in any case, the date mentioned was impossible for them. The Prime Minister's secretary then said that Mr. Lloyd George could probably arrange to see the deputation on any day the following week except Friday. (Laughter.) I asked that the message should be put in writing, which was done in a letter received October 5th. I replied to the following effect on October 6th: In reply to your letter dated October 4th, saying that the Prime Minister was willing to receive our deputation on any day next week, but for preference Monday, I am requested by my committee to say that it is now four months since we asked for our deputation to be received by the Prime Minister, and that on three occasions he has put us off. I also stated that the position we wanted to place before the Prime Minister had become so acute that the Parliamentary Committee had decided to organise a National Conference in order to express our dissatisfaction with the treatment which the co-operative movement had received. Under the circumstances, the Parliamentary Committee regretted they could not anticipate the decision of the conference, and were under the necessity of asking the Prime Minister to postpone the deputation until after the 18th inst. (the date of the conference). On Monday last, I received the following letter from the Prime Minister, sent by hand from Downing-street:

“Dear Sir,—In reference to your letter of the 6th October, your statement that I definitely declined to arrange a meeting with the Parliamentary Committee of the Co-operative Congress is inaccurate. I have referred to the communications made to you on that date, and I find that my private secretary simply stated that I expressed regret that ‘owing to my many and pressing engagements that I was quite unable at the present time to arrange a meeting with the Parliamentary Committee of the Co-operative Congress. I understand, however, that some of the points have already been brought to the notice of the Food Controller.’

"At the time I was very hard pressed indeed, and was unable to find time to deal with the deputations, yours being one of several requests from important bodies. I had called the attention of the Food Controller to the points you referred to, and these points were gone into very thoroughly. I heard nothing from you directly since that date. When after that letter it was suggested by Mr. Barnes that I should arrange to receive a deputation I instantly assented, and suggested a date. This time you elected to defer the date of your deputation. The responsibility for the postponement therefore rests with you.—Yours faithfully,

"(Signed) D. LLOYD GEORGE."

An amendment to the resolution was submitted by Liverpool Society to delete the first paragraph and add the words "Co-operative representation on Government committees" to the second paragraph.

The Chairman: Before proceeding to discuss the amendment in the name of the Liverpool Society, I would like to ask if it is the will of this conference, in view of the developments that have taken place, as indicated by Mr. May, that the resolution should be withdrawn. ("No! No!") Well, we will proceed right away to the amendment.

Mr. Edwards (Liverpool): I would like to say at the beginning, so that you will understand the position in which my society finds itself, that had we had the statement before us, which we have listened to from Mr. May, we would not have sent an amendment. If the conference is willing, I am quite prepared to withdraw and give the reasons for sending it forward. ("No! No!") I think we are all unanimous, and, in the name of Liverpool Society, I withdraw the amendment.

The resolution was agreed to without dissent.

THE GOVERNMENT'S NEGLECT OF CO-OPERATIVE SOCIETIES.

The conference then proceeded to discuss the next resolution on the agenda, which was as follows:—

That this conference emphatically protests against the persistent neglect of the Government to use the experience and resources of the co-operative organisa-

tions of this country for national purposes during the present crisis, and its failure to give any adequate representation to the movement on the many administrative and advisory authorities which have been set up to deal with vital problems in the solution of which the co-operative movement is pre-eminently fitted to take part.

Mr. T. Killon (C.W.S.), the mover of the resolution, said: The reason why the Government has decided not to have the co-operative movement at its disposal is because the Government has no power. (Hear, hear.) The Government of this country—the true Government—is invisible; the true Government rests with the vested interests, and it would not be to their advantage that the co-operative movement should be called in to deal with matters vital to the best interests of the people. This is a consequence we have now to recognise. It will not be until the co-operators, and workers generally, intelligently combine that they will be listened to. The treatment of the movement from a national point of view is a public disgrace, and this first started with the tea business. The press were worked up and statements were issued that were untrue; and what position are we in to-day in regard to that particular article? On the 25th of June we submitted to Lord Rhondda a scheme—and so far as I know Lord Rhondda is endeavouring to do what he believes to be right for the consumer—(hear, hear)—but he will fail because the elements are too strong against him if the vested interests are not defeated. The difficulty in producing a scheme was these same interests, which are patriotic in everybody's business except their own. It was most unfortunate that in this crisis men should profess to have their country's interest at heart and play the part they are playing. Democracy is on its trial. (Hear, hear.) But, if it has before it a clear vision and is wisely led, no power and no difficulty will prevent its final triumph. (Applause.) We want the workers to think more deeply and reason out more closely, and having their policy clearly defined, to leave it in the hands of men who, before appointment, have been tried and able to be trusted—(hear, hear)—and there is no fear for the result. With regard to the position we occupy at present, it is most unsatisfactory. I am no statistician, but in my moments of leisure, I sometimes look round and study a few figures; and when

I take America, a new country, and then England, an old country, the results, so far as the workers are concerned, are the same.

America has a population of roughly 100 millions. The capital wealth of America may be stated at 38,000 millions. Not one-tenth of that belongs to 90 per cent. of the population, so that 10 per cent. of the population controls the remaining portion. The interests of these people are one; and we want our interests to be one. The wealth of America works out at an average of £380 per head of the population. The population of the United Kingdom is roughly about forty-five millions. The capital wealth is reckoned at 17,000 millions, which gives an average of £377 per head. It is most remarkable that there is only £3 per head of a difference between the wealth of an old country like ours and a comparatively new country like America. We don't study financial problems sufficiently. Imperial finance controls the destinies of the Empire; but we don't inquire how—(hear, hear)—until we get before us some formula by which the grower, the manufacturer, the distributor, and the consumer would be made to have one common interest we shall not have that uniform policy which is essential for our protection. (Loud applause.) Our movement has in it the elements that will get that common interest established if we work together—(loud applause)—and I can see for the democracy a brighter and better future if we do work together. (Renewed applause.) I can see vested interests uprooted and the homes of the people made better and happier if we work together. (Renewed applause.) The curse to-day in every civilised country is that there are large accumulations of wealth in few hands—(cheers)—and until we distribute that, and until the worker shall have his rights recognised, we shall not reach a goal to be proud of. (Applause.) I agree with every system of education and every method that can be followed to improve the conditions of the worker—whether through trade union organisation or co-operative organisation, or through any kindred organisation—so long as it has a tendency to improve the condition of the people; but I have always contended that our system of education is radically wrong from top to bottom—(applause)—and that it is creating caste as clearly defined as any that manifests itself in India; and will continue to do so until we compel the prince and the peasant to send their children to the same elementary school. (Loud applause.)

Why should I be compelled to follow a certain class of work because my parents have had to do it? If labour has to be handled and work has to be done, the prince and the peasant should have their children drawn into it alike—boy for boy, and girl for girl—as labour is necessary. (Applause.) We have been treated most unfairly by the Government. (Applause.) We have no reason to hope for better treatment till we convince the Government that our minds are made up to make our power and our influence felt in proportion to our membership. (Loud applause.)

Mr. Jennings (Pendleton) seconded the resolution. In doing so, he said: I want to enter my emphatic protest on behalf of myself and other co-operative committee men throughout the land, on account of the Government's implication that we have not the ability to be of assistance to them in the hour of national need. If we have the ability, why have they not used it? If they have not used it, we have the right to assume that they think we have not got the ability. (Hear, hear.) I want to repudiate the idea that we have not got that ability. (Applause.) I could give an example from our own Town Council, which went so far as to exclude a member of our society from being elected to the local Food Control Committee. They tried hard to find a Labour man or a trade unionist who was not a co-operator; but I am thankful to say they failed. (Loud applause.) They had to swallow their own words, and had to elect a co-operator because they could not find a trade unionist who was not a co-operator. (Renewed applause.) I second this resolution with all the greater pleasure because of what has gone before this morning. I had very great pleasure in hearing Mr. May read a letter—(laughter and applause)—from the oligarchical Prime Minister which meant that the very threat to organise had made him tremble in his shoes. (Loud applause.) I would like to know what is going to happen to him and his successors when we take our places alongside other working-class organisations. (Hear, hear.) While entering my emphatic protest, I have to admit that we are responsible for the position that has arisen. Who would think of electing a private trader to be a director of a local co-operative society? If we would not think of putting a private trader there, how can we reconcile ourselves to assenting to their election to the House of Commons to pass laws to govern the co-operative societies?

(Loud applause.) I support the resolution with a broader view than that, we have been slighted as servants of the co-operative movement; I support it because the Government's failure to take advantage of our experience is an injustice to thousands of the poor, even those who are not associated with our movement. (Loud applause.)

Mr. Waring (St. Helena): I rise to support the resolution, and I don't quite agree with the last speaker when he said the reason why the Government didn't recognise the co-operative movement was because they did not think the movement had the ability to help the Government. It was more an invisible power that was at work. All the ills from which the co-operative movement is suffering at the present time, and all the injustices are based upon the vital differences which are at the root of all our grievances—the difference between trading and enterprise for profit and collective ownership. (Hear, hear.) When we come to that we can easily see why we have not been asked to assist. It would be putting a co-operative society in such a position, and assisting its success to such an extent, that it would have offended its opponents who have political power. (Hear, hear.) The co-operative movement has no political power—(hear, hear)—and it is receiving the same treatment which was meted out to trade unionists in the past. (Hear, hear.) Now the trade unionists are well organised, and can defend themselves. The co-operative movement gets at the bottom of vital principles more than the trade union movement. The trade unionists are fighting for a living wage. Co-operators are out for collective ownership, and there will be greater opposition to the co-operative movement.

The speaker was proceeding to refer to the treatment of societies at the military tribunals and the question of income tax, when the chairman, interposing, said: We are dealing with that later on. Please keep to the resolution before us.

Mrs. Hood (Edmonton): I rise to support the resolution, but I should have preferred it better if it had made mention of the women in it. (Hear, hear.) Of all the committees formed this one needs women on it more than any. (Hear, hear.) It appeals to the women more than the men. Women know how far the money goes, because they have the shopping to do, and know how to make the money go as far as possible. (Hear, hear.) The Government

have insulted the Labour movement, the co-operative movement, and the women of the country. (Hear, hear.) Speaking from experience on one of these committees, I can say there are things which women can deal with better than men. (Hear, hear.) Take meat. How many men know the different joints of meat and the different prices? Women know exactly how far any particular joint will go. Then there is milk. Men don't know how far a quart of milk will go, and at the price of milk to-day thousands and thousands of children will have to go without the milk which is so essential to their health. It is difficult to keep the home fires burning. (Hear, hear.) We want women on our committees. We want the right kind of women. In many cases the women put on these committees are no use at all from the co-operative or working-class point of view. (Hear, hear.) They are very often women who can relegate their household duties to a housekeeper. We want women who know what it is to feel the pinch. There are now sixty-four guild women on Food Control Committees, and I hope the movement will try to see that women—and the proper kind of women—receive their proper proportion of representation on such committees throughout the country. (Applause.)

Mr. Martin (Nuneaton): When I heard the remarks about equality of sex I had a look round the platform, and I made a note, not for use here but at home. I want to support the resolution before you, and in doing so, to speak as one of the younger men in the movement, although I have had some ten years with the management of a society which may not be one of the largest. The thing that is surprising to me is the “about front” in the movement on this question. I want to say—and I am not talking for talking's sake—how some of us have had to put up with certain things for the particular attitude, or in support of the attitude we have been compelled to adopt. When you tell us of the snubs and sneers of the military authorities, some of us are not unmindful of the snubs we have had in the movement. We want to bring men and women closer together on this important question of food. The Prime Minister has been mentioned, but I am not very much concerned about the Prime Minister.

Mr. Rogers (Northampton): Mr. Chairman, I rise to a point of order, and to ask whether it would not facilitate the business of

this Congress if we accept these resolutions unless there is an opposite point of view.

The Chairman: When the Conference has had enough of any subject it knows how to indicate it. No doubt it will do so. I have two more speakers on my list, and I am going to hear them.

Mr. Burn (West London): Byron once said that he who would be free himself must strike the blow. That is the position we are in here, to formulate and organise our power, that we are going to strike for ourselves. It is because we have not organised sufficiently that we are where we have been during the last three years. We are the proprietors of the largest and most up-to-date businesses in Britain to-day, and yet our advice and experience have been ignored by the Government. Why? Simply because we are working men and women, and that class which makes the laws administers them. That is also the reason why we have difficulty in securing proper representation on our Food Committees throughout the country. We are up against the smartest and cleverest governing class that exists in the world to-day. They know just how to treat us, and how far to go, but they have made a mistake on this occasion, I believe, because the co-operative movement is really aroused. It is only by using your political power that you will get proper recognition. I am proud of and pleased with the statement by the chairman of the Wholesale Society; he has given you the right point; it is the silent government that controls this country. What is voluntary co-operation going to do? It is the highway, in my judgment, for the realisation of a fuller, truer, and better life for mankind. We deserve the treatment we have received, because we have failed to realise our class responsibility. Let us resolve that in future we won't be treated as we have been in the past, and that we demand that the co-operative movement shall be recognised as a power and a force. Let us also resolve to sink differences and prejudices, recognising that it is only in that way we shall achieve our objects.

Mr. Jarman (Warrington): I want to take absolutely the practical side of this question. The Government has declined to use the organised services of the co-operative movement, and in the Food Control Committees we find there is no representation of co-operators worth mentioning; and this is most important, for the first business of the Local Food Control Committees is to deal

with the sugar question. The "Business Government" has been very slow in this matter; it has given notice since August that a scheme will come into operation in December. Our own societies in some cases had in operation in three days what it has taken the Government five months to do. The position now is that you are asking your members to register with you for their sugar, and you know that you have not got the sugar, and you don't know where it is to come from. If the members have to go to the private trader—the local Food Control Committees will have something to say about the distribution of supplies—what treatment will they get? It is going to mean greater anxiety for us than before. The same thing also applies to bread. It is costing the country millions of money to give a ninepenny loaf, and yet for months the society I belong to has sold bread at 8½d. net at a £3 ls. 3d. cost of flour without a penny of loss. (Applause.) If the Government had used the co-operative bakeries to the fullest extent, and scrapped the German underground bakeries, these millions of money might have been saved. (Applause.) It is well known, also, that private traders are getting behind the regulations, and our members are supporting them. (Hear, hear.) We are not out as spies; we don't want to put the police officers on their track; but is it fair? (Cries of "No!") And the wealthiest and the most reputable of the private traders are the greatest offenders. (Applause.)

The Chairman: Is it your pleasure that the vote be now taken? (Cries of "Vote! vote!") Then I will call upon Mr. Killon to reply.

Mr. Killon: Mr. Jarman has just mentioned sugar. In the early stages of the war we took up this matter with the Government, but the Government made a fatal blunder. We asked, as the largest distributing agency, to be allowed to deal with sugar direct. We were told that the Commission was appointed, that it could not be altered, instructions were given, and our trade must pass through the ordinary channels. These ordinary "channels" are the vested interests. (Hear, hear.) We had two cases to test this, and if any other body of men had done what was done in these cases they would have been decied as people who had no regard for their country. A test order was sent for 2,000 bags, but the broker who represented the Government refused to accept the order. Thinking that there must besome prejudice against us, we got a firm in London

to pass an order for 3,000 bags, but that, too, was refused. On what ground? That no person was to be allowed to supply sugar unless he was a recognised broker before 1914. ("Shame.") There is the position. The vested interests always dominate. We have tried to break that down, but we have failed, and we shall fail unless we have combined action on the part of the co-operative organisation itself. There are other matters. With regard to flour, we have honestly endeavoured to carry out the Controller's regulations. We have paid heavily for doing so—(hear, hear)—but we have made up our minds that unless we are treated fairly (and we consider that we have not been) we shall set even the Controller's regulations at defiance—(loud applause)—and we shall let the Government take the consequences themselves. (Renewed applause.) The reason why I feel so strongly about that is this: In meeting with committees in various parts of the country, we had to meet the committee of one of the largest societies. Up till then its order represented 1,600 sacks per week, but that had decreased to 300 sacks, and the committee told us that they could get flour of superior quality to ours. After lessons of that kind, unless we are to get fair play we have no other course open to us but to do as I have said. (Loud applause.)

The Chairman: All in favour of the resolution on "Food Control" say "Aye!" (An enthusiastic response.) On the contrary "No!" (No response.) The resolution is carried. We are an hour in advance of our time. (Applause.) There are two emergency resolutions which have been accepted by the Standing Orders Committee, and these might be cleared out of the way. (Applause.) If it is your pleasure, we shall proceed with them. (Agreed.)

CO-OPERATORS ON SERVICE.

Mr. Gordon (Plymouth) moved the first of these resolutions, which was as follows:—

That this National Conference of Co-operators, deeply sensible of the great sacrifice and devotion of their countrymen serving in the great war, hails with enthusiasm their cheerful bravery and British endurance of every hardship, and, further, assures them of its constant concern that their interests at home shall be safeguarded, and to that end is engaged in fighting

the profiteer and in perfecting an effective political machine for their use when once again they resume the paths of peace.

In support of the resolution, Mr. Gordon said: This should be a most proper occasion for bringing forward a resolution such as this. You remember, in the early days of the war—the dark days—the Expeditionary Force had met with a reverse, and an appeal was sent out for men to enrol themselves in the Army. We know the response made by the men of the country. (Applause.) They left shop and bench, and factory and machine, to enter upon a campaign of self-sacrifice for their country. (Applause.) They gave up everything, and they thought that those left behind would, out of patriotism, look after their families for them, and see that they were cared for. (Hear, hear.) The patriotism of the landlord and the capitalist had not risen to the occasion. It had discovered its opportunity. (Hear, hear.) These men who had gone had since found out how they had been deceived. We have seen how they were deceived—(hear, hear)—and our resolutions tell us plainly what has happened to these men and their families. The profiteer in shipping and food and landlordism has risen to his occasion. (Hear, hear.) He has extracted the highest amount of profit possible out of those left behind since these men went to the trenches. These men have made sacrifices, and it is up to you and to me to do what we can to see that those who come back shall come back to a better state of things. In the words of Prince Kropotkin we shall declare, “Never again must this happen.” (Loud applause.) Never again shall the profiteer in the capitalist or landlord fatten or batten on the sufferings of the people. (Renewed applause.) If we are going on fixing up the machinery of labour, and are going to bring our resolution of this conference to a conclusion, we shall carry into effect these words of Kropotkin’s. I hope the delegates will pledge themselves to do this before the conference closes, and I hope that we shall go home with the firm determination of building up such machinery and consolidating the work of this conference so that we shall be able to welcome our comrades who are now away, to a better and brighter England than they left. (Cheers.)

Mr. Buckingham (Plymouth): This is one of the most important things we can consider. There is no body yet during this war that has considered such a resolution as we are considering at the present

moment. (Hear, hear.) And there is no body better able to consider such a resolution than the meeting here this morning. Many had seen "Tommy" going away amid cheers. What we want to see is a determination that there shall be something more than cheering when he comes back. (Hear, hear.) We must see that he comes back to a better state of things than he left behind him. (Hear, hear.) "Tommy" is thinking, and he is not going to be satisfied with the conditions which prevailed when he left this country. (Hear, hear.) He is coming back to a new order of things. And who will deny him? He has fought for it. I have the greatest pleasure in seconding this resolution. (Hear, hear.) There were cries of "Vote! vote!" and the resolution being put, was carried unanimously.

At this point Mr. A. Whitehead (General Secretary) made several announcements.

WOMEN AND THE FRANCHISE.

Mr. Blair (Liverpool) moved the following resolution:—

That this National Conference, representing three-and-a-half millions of co-operators, welcomes the first extension of the Parliamentary franchise to working-class women provided in the Representation of the People Bill, and calls upon the Government to extend the municipal franchise to women on the same terms, and pass the Bill through the House of Commons during the coming session.

He said: The committee of the Liverpool Society feel that the co-operative movement, having met in its first conference to consider its political policy, it would be desirable to welcome the coming into political life of the working-class women of the country. (Hear, hear.) There is a distinct omission from the Bill at present before the country, as it does not give working-class housewives the municipal franchise. It puts on one side the local political franchise to which women are entitled. It gives the franchise to elect the people who are going to control our national and imperial affairs, but denies the franchise to elect the people who look after our civic housekeeping. Women should not be denied the right to take their part in electing the authorities who deal with such important matters as the housing and the health of the people. (Hear, hear.)

I therefore move the resolution standing in the name of the Liverpool Society. (Hear, hear.)

Mrs. Found (Central Board), who seconded the resolution, said: The resolution only asks that we should have an extension of the franchise in municipal affairs similar to what we have in Parliamentary affairs. Woman, with her expert knowledge of housekeeping, ought certainly to be in a position to send the right class of women to our municipal bodies to carry on the "municipal housekeeping." We want houses built, not along the lines adopted in some cities. We have some municipal houses in Bristol which are like almshouses. (Applause.) A woman understands best what kind of house she wants to live in, and she ought to be on these committees. Not until women have the vote, and can send mothers into municipal bodies, will we be able to get the education we want. And we are depending on the men for the votes to put the women on these committees. (Laughter and applause.)

£. Mrs. Singleton (Eastleigh): Unlike the previous speaker, I have a strong temptation to speak "anti-man." Generally, men, knowing women have no power, adopt the attitude of "Well, we have to listen, so get on with it." (Laughter.) The housewives are not organised, and have no power; and so are not recognised. There is a desire to have leisured women on these local municipal committees, because, it is said, that a working woman has no time to attend to these matters; but so long as you have this leisured class of women on these boards you will never protect the interests of the women whose husbands are fighting. (Applause.)

The resolution was carried unanimously, and after Mr. Whitehead had made a number of announcements the conference adjourned for lunch well within the scheduled time.

AFTERNOON SITTING.

The afternoon session was to be regarded as private, and the Chairman called upon Mr. May to open the deliberations on the question of Excess Profits Duty as it affected the movement.

THE POSITION (PAST AND PRESENT) WITH REGARD TO EXCESS PROFITS DUTY AND INCOME TAX.

Mr. May said: Some of us have been waiting for two years for the opportunity which we propose to take this afternoon of putting before you a plain unvarnished tale of all our woes—or, rather, not all of them—but those that belong to the Excess Profits Duty question.

Before proceeding further, Mr. May called attention to some persons who were sitting at the press table, and reminded the Conference that that was a private gathering. There were some gentlemen present who were authorised to take an official report of the proceedings; but there were others who did not seem to answer that description.

The Chairman: Are there any in the room without delegates' tickets? Whether they are press representatives or not they will have to retire. No one retires. (Laughter.) I take it that these proceedings are of a private character. They belong to the movement absolutely. An official report will be provided to the press after the proceedings are done; and if any other report is issued, we shall be very sorry.

It was suggested that the Chairman should ask the delegates to show their cards, and that each delegate should see that his neighbour had one. This was carried out, and the business was resumed.

Mr. May, continuing, said: I think every delegate will appreciate the position of the Parliamentary Committee or any other organisation in the movement that has to deal with Government departments, or with people in any other official position outside the movement. It is not always wise; it is often unwise; that the actual details of the negotiations which pass between them should

be made public. We should lose a great deal of consideration if we were compelled to publish every transaction as it occurred and every suggestion made to us. That is one reason for holding a private session. I want at the same time to remind you that immediately a report of our doings gets into the press, it is invariably used against us by the private traders' organisations up and down the country; and not a little trouble in our propaganda is brought about by the facility with which representatives of these organisations get documents we send out to societies in confidence. I do not suggest that anybody does these things to weaken the movement; but they happen. I want to ask delegates, in considering this matter this afternoon, to remember the absolute difference there is between the feeling in the country to-day towards the war, towards taxation, and towards all questions of control, and the feeling that there was in October, 1915, when everybody was rushing to do his utmost to help the country through, and when those who were not willing to fight were presented with white feathers. I ask you to consider this business to-day in the light of the position in which it was when we had to deal with the question of Excess Profits Duty in October, 1915. Some of you are general managers, and have to place contracts for goods. If you place a contract for three months, and it is justified over half the time, you are supposed to be a capable manager, for the man is not born who can see to the end of three months. We are not all Archangels on the Parliamentary Committee—(laughter)—but we do claim that we have a right to the confidence of the members. We have safeguarded the interests of the societies, and we are not entitled to one-hundredth part of the things some of you have said about us during the past two years. That is not the issue, perhaps, but—"wait and see." On the 30th September, 1915, Mr. McKenna, in the British House of Commons, in answer to a question directed to him by a friend of co-operation, Lord Claude Hamilton—(laughter)—said:—

In so far as co-operative societies make a profit through their trading operations with non-members, such profit is already assessable to income tax in the hands of the recipient. The ordinary transactions of these societies resulting in a return to members of any excess purchase price that may have proved to have been paid by the members is, in fact, a mere discount on purchases and not a profit.

That is a clear answer. A supplementary question was asked by Mr. Denman, as follows:—

Mr. Denman: May I ask whether co-operative societies will be subject to the excess profits tax?

Mr. M'Kenna: Yes, sir, the same as anybody else.

Two days later, I was rung up on the telephone by the Agricultural Organisation Society, and asked whether I had seen the reply made by Mr. M'Kenna. I said I had. I was asked: "Do you think they mean to tax co-operative societies on excess profits?" I answered: "Certainly not! Because Mr. M'Kenna had clearly discriminated between transactions with members and transactions with non-members, one of which meant profit and the other only discount." The only reasonable interpretation of that was that excess profits duty would be placed on the war contracts which were equivalent to non-members' trade. Mr. Harris—who had rung me up—said: "That is my view; but come over and tell my committee that." Mr. Denman was present, and we discussed the matter. I persisted in my view, and Mr. Denman persisted in his view, that the answer was against the co-operative societies. I said to the committee: "All right. The co-operative movement will fight. As soon as we establish the fact that Mr. M'Kenna will fight us on this, it will be my duty to wire my committee." My duty was to probe the rumour and then call the committee to deal with it. My life has been one long series of operations of that sort. (Laughter.) Mr. Denman had arranged a personal interview with Mr. M'Kenna for the following afternoon. It was suggested by the governing body of the A.O.S. that they should appoint some other members; but Mr. Denman pointed out that it was a private interview. I pointed out then that I must go with Mr. Denman or seek a special interview with the Chancellor at once. I need not point out, after reading the correspondence with Mr. Lloyd George this morning, the advantage of going with Mr. Denman rather than taking the ordinary course of trying to arrange an interview for myself, which would have meant delay. I went with Mr. Denman, and we had an hour's conversation with the Chancellor. After the case had been put to him by Mr. Denman regarding the agricultural movement, the Chancellor was asked the definite question—(which delegates might make a note of)—whether he intended to impose that tax

upon us. He answered: "Yes! Undoubtedly! This is a war emergency matter. We have to get money, and every trading firm in the country will be taxed."

Previous to the interview I asked the secretary of one of the biggest societies to supply me with information the better to illustrate the position. I have been criticised for consulting that society. I chose it because it was near me, and convenient to get the information, also because its operations were typical of exactly the difficulties we would have to face. I had to get the information within a few hours. The secretary put himself to a great deal of trouble in order to get me the statement which I was glad to place before the Chancellor in the evening. Mr. M'Kenna said "show me the figures." Mr. M'Kenna is second only to Mr. Lloyd George in the lightning character of his movements, of his calculations, and lightning bluff. (Laughter.) He worked out the figures of that society, which came to £6,000, and said Mr. M'Kenna "jolly cheap, too." It was a staggerer to me. I put the matter to him point by point as it had been put to me by societies. I said very well, our people will resist this, and will put up a fight against it. Mr. M'Kenna said if we would take his advice we should do nothing of the kind. "The temper of the country is against you; the temper of the British people and of the House of Commons is against you. You will come down on the income tax because the whole State is against you." We then said that if the tax must be imposed upon our societies, it at least should be applied with some regard to their special character and constitution. The Chancellor asked what was our proposal, and we said that it should be taken on the increased surplus per pound of sales. He laughed at us, and refused to consider that plan. We then pointed out that the purchasing members of co-operative societies were the proprietors, and that the increase per member might be the basis. This he promised to consider, but did not pledge himself to adopt. Our interview with the Chancellor had taken place on the 6th of October. The Bill was ordered by the House to be printed on the 30th of September, but it was not actually printed until about ten days later. In the schedule of the Bill the clause dealing with co-operative societies was printed. What is in the schedule now, with the

exception of one sentence, was sketched out at that interview, which closed with a clear intimation to Mr. M'Kenna that this matter would at once be reported to the committee, and it would be for them to decide. I have not the slightest desire to place any blame upon anybody who is not concerned; but the duty of the secretary was carried out in calling, immediately, a meeting of the committee when the whole facts were presented to them. By that time we had additional suggestions to put before them, and Mr. George Barnes for one, and several of our other Parliamentary friends, were asked their opinion about the matter and they said definitely that the committee would be ill-advised to fight when they had a safeguard by which they might free themselves from the operation of the Act, and in view of the temper of the British House of Commons at the time. On the Tuesday when the matter was put before them Mr. Barnes sent a letter, and in view of that and of all the circumstances the committee decided that they would not enter upon a campaign against this tax, believing they would jeopardise the interests of the movement; believing also, that with the machinery in the movement they could relieve themselves of the tax, and that in an emergency tax of this nature, there might be some grounds, in a national crisis, for a little latitude in the co-operative movement. We did not contemplate, nor did you, that the war would last till now, and that prices would mount, and that conditions would change; and in this respect we made a bad speculation. (Hear, hear.) There is no doubt about it. Does anyone think to-day that any member of the Parliamentary Committee wishes to justify it? It was an unfortunate and regrettable necessity. That is the position as it occurred. (Applause.)

When the Finance Bill of 1917 was before the House of Commons, both Mr. Bonar Law and Mr. M'Kenna made reference to an agreement with co-operative societies. All I can say is if you interpret the circumstances I have told you into an agreement, into something we voluntarily entered into, which is the proper basis, surely the real basis of an agreement, then I don't understand the English language, and I don't understand the work I am doing on behalf of the co-operative movement. On a subsequent occasion, Mr. M'Kenna, after we had brought pressure to bear on him through

more than one agitation and in the form of letters and circulars, said: "Look at the position in which you leave me. There is no man in the House of Commons and no Chancellor of the Exchequer who has stood by you as I have on the question of income tax as it affects your societies." I could not gainsay him. Mr. McKenna, as Chancellor of the Exchequer, has made more speeches in the House of Commons regarding co-operative societies and has given clearer definitions of our economic position than any other Chancellor. He has told us he is continuously answering questions regarding the co-operative movement, and that we have not a single representative in Parliament to back him up. He told us on another occasion "you put up a case and a fight in the House of Commons against this tax, and I can assure you that the House will turn you down on excess profits, and I will turn you down on income tax." We have taken steps from time to time to deal with this matter and put it on a better basis, but we have always been brought face to face with a position like the one I have described. So far as officials of the Inland Revenue are concerned, I can only say we have fought against the interpretation they have placed on the Act, and I have letters signed by Mr. McKenna in which he supports the action the department has taken against our societies, believing, of course, that he and they have correctly interpreted the Act. In January of the present year, we had the latest interview with the present Chancellor of the Exchequer. I don't want to go into details, but those who care to read the discussion on the last Finance Bill will find that he states the case from the private traders' point of view as clearly as it could be stated, and also against the co-operative point of view. It was to the effect that our dividend was a privilege, not a right and not a saving which we were justly entitled to, and that we had no right to take it into consideration in establishing our case under present circumstances. In other words, that the dividend on our purchases is something we have got by special methods, and something which is not a normal result of our trading, and should not be calculated when we claim freedom from the Excess Profit Duty. The Chancellor also said that we had entered into an agreement. The Labour Party were really nonplussed when they heard we had entered into an agreement, but I say the only agreement we have entered into is not a voluntary agreement at all. What other decision could we have

come to but to sit quiet when the Chancellor held a pistol at our heads? That was the position, and that alone. My time is nearly expired, but I want to say that we have watched this position squarely and closely ever since the Act was passed. I can assure you I have had, as all the members of the Parliamentary Committee have had, many anxious hours in trying to find a way out of this difficulty, not only because of the seriousness of the position, but because of the abuse levelled at them and me from different parts of the country. The Parliamentary Committee have waited for an opportunity to place their position before the co-operative movement, and this is the first clear opportunity they have had apart from the passing of pious resolutions. The Associated Chambers of Commerce, at their annual meeting in London, passed a resolution calling upon the Government to relieve certain private trading organisations of the hardships of the tax. We immediately approached the Government, framing our appeal on the lines of the last appeal that was addressed to them by the Associated Chambers. We also interviewed the Labour Party, and we had no trouble, quite the contrary, in persuading them to put down an amendment to the 1917 Finance Bill.

We also supplied all the necessary information to support them. Our proposals were brought forward in the House of Commons on July 6th. I want to emphasise the point that the Parliamentary Committee had made every possible and necessary preparation and arrangement with regard to these amendments beforehand. At Swansea Congress, when you carried the resolution demanding the repeal of the tax as it applied to co-operative societies, I said you were asking for the moon. We put down what the Parliamentary Committee had been asking for. Both of these demands went into the House of Commons. The Chancellor refused at once the amendment with regard to the repeal, and the Speaker (or the Chairman of the Committee on Ways and Means) said the second was out of order, because it provided for a financial arrangement which private members could not put down. The unexpected happened. Mr. Wardle appealed; but Mr. M'Kenna also appealed. He was still saving his face; because our chairman had been asked to contest his Parliamentary seat. (Loud applause.) He appeared as a friend of the co-operative movement, and urged the Chancellor to alter the Bill. Mr. Bonar Law said:—

Mr. Bonar Law: "I must say the fact that my right hon. friend, who was the author of this proposal himself, says he now thinks it works unfairly makes me inclined to say it is not unreasonable to ask that we should reconsider it; but I wish clearly to say—and I hope the Committee will understand me—that probably this only means that the dispute over it will take place on the Report stage. I promise to reconsider it. I wish also to say to the Committee that the fact that there is no change in principle had the result, which I do not think I need be ashamed to confess, that I have not given close personal attention to this matter. I am sure the right hon. gentleman will not object to my saying that I was not convinced by his argument. He spoke as if the whole point were the taxation for Excess Profits Duty of trade with those who are not members of the co-operative society."

It was not the weight of the arguments but the weight of the intimation from an unexpected quarter in the House of Commons that led him to consider the alteration; but he did make an alteration. Anyone who knows the procedure of the House of Commons knows—as Mr. Thomas who is here will agree—that there is only one alternative when a Minister makes an alteration in a Bill in deference to pressure, and that is, "take it or leave it." The amendment was passed on the Monday night, and the debate took place on the Tuesday night. (Laughter.) That is the way they do things in the House of Commons. Mr. Allen would rule us out of order if we did that here. (Laughter.) The present position is that we have been warned during the past fortnight, in an unofficial manner, of the possibility of a strenuous effort being made to have this small concession withdrawn at the next opportunity. Now as to the liability of societies to the tax. At the end of 1916, we got a return from 629 societies totalling nearly three million members. Out of these 629, only 181 had become liable for Excess Profits Duty, and the total paid was £383,906. They estimated that they would get a million out of us. (Applause.) Mr. Bonar Law may be trusted to put the figure at the highest to show what he will realise if the tax goes on. Briefly, and in conclusion: We admit that the movement was taken by surprise by the retrospective application of the tax. Some of the societies took steps to reduce their dividend and give the consumers the benefit. The majority of the societies have avoided the tax. There are, however, some with exceptional

difficulties who have resisted solely on the grounds of the principle that if we do not make profits we cannot make excess profits. While we go on with the fight for its removal at the earliest possible moment it does seem to be the merest business wisdom that we should avoid this impost wherever we can. The object of the resolution to be submitted to you to-day is this: Swansea Congress, as well as the previous Congress, made it perfectly clear to the world, and to the Government, what our attitude is—that we are against this tax, and that we want it repealed as quickly as possible; and any resolution passed here for propaganda purposes can only be in the way of an anti-climax. The resolution to be submitted, while it clears the committee, records our adherence to this position and our protest to Excess Profits Duty; but it clears away from the inside of the movement that campaign of abuse, which has gone on too long, in order that we may be united to meet the difficulties of the future. (Loud applause.)

Mr. W. Bentley (Bolton): Is it possible, in view of the satisfactory statement of Mr. May, that he can further enlighten the Conference as to the position of societies under the Excess Profits Duty since the last amendment was passed? So far I am unaware of any regulations that have been made as to the methods of computation between the Parliamentary Committee and the officials of the Treasury, and as one who has been repeatedly asked by the Surveyor of Taxes for a return, and has so far strongly resisted making up this return until such regulations have been framed, I should like Mr. May to explain exactly the position in order that secretaries of societies may be acquainted and instructed as to what action should be taken. (Hear, hear.)

Mr. May: On this point we sent out a circular in July advising societies clearly that they should not be required and should not attempt to make up their statements for accounting periods ending on or after January 1st, 1917, until the regulations have been issued. That position was confirmed by the Board of Inland Revenue, and if any other secretary is being harassed, he should at once send an intimation to the Parliamentary Committee, and I can promise you it will be stopped. (Hear, hear.) There is no intention that you should be harassed at all. The Revenue authorities have been over-

whelmed with work during the year, and have not yet prepared the regulations. They are in hand, and we hope they will shortly be issued to societies. You are not required to make up these returns, and you can tell the Surveyor that his board has no desire to harass you. (Hear, hear.)

A Delegate: Do you include the Excess Profits Duty paid by the C.W.S.?

The Chairman: That does not arise here.

Mr. Sharples then moved the following resolution:—

That this conference, having heard the statement of the Parliamentary Committee as to the original imposition of the Excess Profits Duty on co-operative societies, is satisfied that the Parliamentary Committee took all reasonable steps (short of a public campaign) to avoid the imposition of the tax, and that they were not willing parties to any arrangement with the Government in imposing it upon co-operative societies.

Further, that the statements of Ministers in the House of Commons as to a bargain or arrangement with leaders of the co-operative movement have no foundation in fact, and that we reiterate our conviction that the imposition of the tax upon co-operators is an absolute negation of justice and of any sound principle of taxation, and call for its immediate repeal.

That, in view of the declared intention of the Government to again inquire into the position of co-operative societies in relation to income tax as soon as the war is over, this conference urges upon all societies the necessity of pursuing with the utmost vigilance their campaign of opposition to the vacillating and opportunist policy of the Government on this question, and to steadily discredit the factious opposition of private traders' organisations both inside and outside Parliament.

Mr. Sharples, who addressed the Conference as "Fellow delegates to this memorable Congress of Co-operators," said: After the close and careful attention you have given to Mr. May's remarks on the subject on which this resolution is based, I feel some hesitation in standing between you and the vote. I am convinced you are fully persuaded that whatever was the result of the efforts Mr. May and his colleagues made, it was all that could be done to safeguard the position under the circumstances as they

existed at that time. It is idle to say that you can have an agreement until the two parties agree *ad idem*. Until they agree to all the terms there is no agreement. It is un-English that where two parties are concerned, and one is in a position to use coercion over the other, that it shall be said that the man who was coerced has entered into an agreement. (Hear, hear.) He would be relieved from his position in any Court of Law in the country. (Hear, hear.) The principle I have referred to is one founded upon equity, and one upon which the true foundation of society rests. I hope the Congress will accept this resolution in the form submitted, finally, and as a conclusion of the whole matter, and as an expression that you are satisfied that all that could be done under the circumstances was done. In the speech of Mr. Killon this morning, he said democracy is on its trial. If democracy takes a clear view, and is wisely lead, nothing can resist it. The Parliamentary Committee is composed of tried and trusted men. If you don't trust them what is the good of the Parliamentary Committee. (Hear, hear.) Are they not the chosen men in the movement, tried and trusted, who have proved before and since that they are men who can be trusted to do their best? Those who are on their trial today should be acquitted wholeheartedly and with acclamation. You have unanimously agreed to a new expression of your policy for the future. You have shown that you have an ideal and the determination to carry that ideal into practice. You are united against a common enemy. Are you going to destroy that unanimity amongst your ranks? If you do that then it will not be worthy of this occasion, but unworthy of the issues that are at stake. (Hear, hear.) You must unite to destroy the dragon of faction, go forward hand in hand, and march unitedly to the goal. (Applause.) It is not only the co-operative societies that enjoy the exemption from income tax. The tax has been limited to give the same privilege to shareholders of some insurance societies. An insurance company issues participating and non-participating policies admitting the holders of participating policies to enjoy advantages which are not allowed to non-participating holders. The courts have settled that the return of surplus is not a share in profits when one pays a higher price because he knows that a portion of it will be returned at the end of a given period; and this is not subject to tax in the case of a private company. In the same

way, therefore, if there is no liability in an insurance company to pay tax on that which is equivalent to our dividend we are enjoying no privilege, we are only enjoying the common rights of citizens, and we want to drive that home. (Applause.) We stand on a foundation, not of privilege, but of equity and equality. We were told by the representative of a building society at a Blackpool Conference that they had entered into an arrangement under which they will only be charged 3s. in the pound instead of 5s. which we pay. (Shame.) Our property stands in the same way as theirs, and until Parliament considers this matter, we would do well to put the question to the Inland Revenue Department and get ourselves put at once on the same basis as the building societies. (Applause.)

Mr. Bentley (Bolton): I have very great pleasure in seconding the resolution that has been moved by Mr. Sharples. I am one of those who have had a great deal to say in connection with the attitude of the Parliamentary Committee in the past, and I am not going to say, just at the moment, that some of us have not been right in what we have said. (Hear, hear.) I maintain, although I am seconding the resolution, that had the Parliamentary Committee at that time taken the advice of some of the organisations in connection with the movement it would have been better for all concerned. The advice might not always have been correct, but it was based on expert knowledge and experience which we think the Parliamentary Committee could have used to advantage; and some of us at that time were prepared to advocate what has now come into operation, believing that a better method of computing excess profits could have been brought about without impairing the success of the co-operative movement. The financial success of the movement, to some extent, has been impaired, because we know a number of societies have been compelled to pay this duty, not out of revenue, but out of reserves. (Hear, hear.) I say without the slightest hesitation that there was no Chancellor of the Exchequer in this world who could have argued excess profits which it was necessary to pay out of reserves of capital accumulated out of the savings of the co-operative movement for twenty or twenty-five years past. (Hear, hear.) Notwithstanding all this, I think Mr. May has given a very clear exposition of the position right from the beginning, and I for one must congratulate him on

the fight he has put up for our co-operative movement against all the opposition he must have had in Parliamentary circles. (Hear, hear.) It is quite time we realised, whether we are Liberals, Conservatives, or members of the Labour Party, that the co-operative movement must have representation in the House of Commons—(hear, hear)—and we should work for that end at once, and not keep waiting and seeing.

Mr. Davies (Plymouth) moved the following addition:—

Insert in line 12 after the word “and” the following:—

“That having special regard to the statements of the Chancellor and ex-Chancellor of the Exchequer, Ministers are deemed in honour bound to extend the facilities recently given in respect to the methods of computation of this tax and finally.”

He said: I have very great pleasure in moving this addition to the resolution moved by Mr. Sharples. At this juncture, I am not concerned with the very eloquent defence put up by Mr. May, I am concerned with the desire that we should sink our differences. I agree that unity of aim and oneness of principle are everything. We may have had a different point of view in the past; but by our particular contributions to the movement from time to time, and by bringing these matters under review, we may find common action and common ground to tread. I pass on, however, to the reference in the resolution to the repeal of the Act. I want to put one pertinent question: Why are we asking for the repeal of this clause? Is it not because we recognise, after two years, that a great injustice has been done to the various societies composing the movement? And is it not because injustice has been done that we are calling upon the Government to cease to continue the operations of a Statute which bears harshly upon the co-operative movement? That implies that something has been done that ought not to have been done. Are you going to be content merely to ask for a repeal of this particular Act? Are we to have no regard to the promises and the intentions of the Government? Mr. Bonar Law has said that something was done to the co-operative societies that ought not to have been done. Mr. Bonar Law has, by his amendment, put the position back to where the co-operative societies on the one hand, and the late Chancellor of the Exchequer on the other, said it was intended to be. That being so it is for the

Chancellor of the Exchequer to find some means whereby the societies may get back to themselves all that was taken from them wrongly. (Loud applause.) I trust the delegates will see how vital that is. (Hear, hear.) We should ask not only the repeal of the Act but that honour may find a part to play in the national life of the country. (Applause.) If the Chancellor of the Exchequer admits that for two years injustice was done, we say: Let him give effect to those honourable remarks and make it possible, by the operation of the Finance Act to put societies back into the position which he says it was the intention of the late Chancellor that they should find themselves in (Applause.) We are asking for the application of certain historic words. The present Government says the conditions of peace shall be restitution and restoration to despoiled nations. (Applause and laughter.) We are at war with the Government of this country. We say: "Repeal is not enough. There are certain words you have to say—'Restitution and Restoration.'" (Loud applause.) We say to the Government: "You have done our movement a great injustice, and we demand Restitution and Restoration." It should have been impossible, by the national conscience of the country, for our societies to be taxed. (Applause.) There are men here who have given their services for years to the movement; and there are younger men who are spending themselves in the same cause. Here is a unique opportunity which will lead the ranks of the army unto victory. Led by the older men, joined by the younger men, let us call for the repeal of this iniquitous Act, call for Restitution and Restoration to the movement which is the salt of the country. (Loud applause.)

Mr. Buckingham (Plymouth): Like my colleague from Plymouth, I am not so much concerned with the speeches made in regard to what has happened with reference to the earlier steps on this question of excess profits. I think you will agree that what has been done has been admitted. We must look facts straightly in the face, and deal with them. It is quite possible for any other body of men to find themselves in the position of the Parliamentary Committee. But I want to say this: That had the Parliamentary Committee been a little more alive to the actual facts of this business then we should not have been discussing this resolution to-day. (Hear, hear.) There is a point that you need to take very seriously.

otherwise it will be step number two in the wrong direction. If you pass the resolution just as it is framed, you are admitting, up to a point, that this tax was justifiable. ("No! No!") Up to a point. ("No! No!") We want you to clear any idea of that by taking the straight and proper course by saying that this tax is unjust, and must not be imposed. If you take that line you will strengthen the co-operative movement; anything else and you will weaken it. We are fighting a great force. We have to say definitely what our opinions are, and what we require, and I believe you will do this.

Mr. Gavan Duffy (Cleator Moor), supporting the resolution, said: The resolution is a little weak in some respects, and I appeal to those responsible to come together and try to draft one or two words of the amendment into it so that no one will be called upon to support a motion which he feels to be not altogether right. I hope there will be no division of opinion. This is perhaps the most historic meeting of the co-operative movement, for we are breaking into new veins. At such a time we should march in a solid phalanx. There is only one thing to do when you have an unjust law; that is to break it. (Laughter.) Even Mr. Bonar Law, professional quibbler that he is, has been bound to say that he cannot defend the way in which the tax was imposed. Co-operators do not wish to shirk their obligations. One-half of the members of this audience has paid income tax, and why ought they be dragged in again to pay it. (Applause.) Mr. May has told us that the movement has already paid £383,623 of excess profits duty. I am sorry £5,000 of that belongs to my society, and that is the reason why I support the proposal for restitution. (Loud laughter.) There is a certain amount of honour among thieves it is said, and I hope we will be able to put the politicians on the same pedestal and get honour amongst them. (Laughter.)

Mr. Thornton (Gateshead): I notice efforts are being made to get the money paid refunded. I don't think it will be possible for the Parliamentary Committee to do that for us. They have sold the case so far as excess profits are concerned. We have paid some £20,000. We had committed ourselves to £10,000 before the tax was levied. We made ourselves liable for £10,000 before the Act of Parliament was passed, and when we were thinking how prosperous we were, this tax came upon us. (Loud laughter.)

The speaker was continuing to read extracts from a statement by Mr. May in the "Co-operative Review," when there were calls of "time," "time."

Mr. J. H. Thomas, M.P. (Co-operative Building Society), who was received with cheers: I wonder whether the last speaker spent the additional £10,000 on the recommendation of the Parliamentary Committee or because it was in the Finance Act. My friend, Gavan Duffy, appears to presume that, while these politicians are a bad lot, there is honour among thieves. (Laughter.) I am not quite sure who are the thieves. (Renewed laughter.) There ought not to be any division, I think, between this resolution and the amendment; and by the substitution of two words—"Parliament" is in honour bound; and having regard to "Ministers'" statements—we ought to get absolute agreement. (applause.) I privately negotiated these amendments with Mr. M'Kenna and Bonar Law. I asked M'Kenna and Law (on the day before they accepted it) whether they were prepared to accept the amendment down in our name; and the answer we got was: "Unless you have this amendment you will have nothing." That is the history of the situation. Whatever M'Kenna may have said in defence of the co-operative position on income tax, he destroyed any consideration we ought ever to give him by that admission that although he knew it was wrong to attempt to impose income tax he was prepared to say: "Notwithstanding this wrong, I will hold it like a revolver against your heads." (Hear, hear.) That is one of the most unscrupulous tactics anyone could adopt. (Applause.) I welcome this conference because it is to be a historic conference. (Applause.) It clearly marks a new development in the co-operative movement. I want this movement—and I want the trade union movement—to realise that strong, powerful, and influential as we are, we are not stronger than the community as a whole. Any action we take on this resolution or any resolution of this conference, must not be a resolution that sets up some particular class interest or privilege to us as a movement. We don't want it. (Applause.) Our answer to the people who say: "You don't pay income tax!" is "You are liars!" (Laughter and loud applause.) We pay precisely the same as other people. (Hear, hear.) The mistake we have made is in not having carried the war into other people's camp. (Applause.) A close

examination of Schedule A of the Income Tax shows that nearly all your co-operative buildings are assessed. On the other hand, when the excess profits tax was introduced, I was in the House of Commons. That tax meant that there ought not to be any people specially benefited as a result of the war—(hear, hear)—unless the State was able to take that benefit from them. (Applause.) That is the meaning of the excess profits tax; and how, then, can you or I or our wives, paying £2 for the same goods that cost us £1 in 1914, be told when we get 2s. back that 1s. of it is excess profits? That is monstrous! (Applause.) It cannot be justified. I hope that you will carry the resolution and allow the amendment so as to have a unanimous vote, and so that you may say to the Government: We are not only going to pin you down to what you have said, but to use our power and influence to take from you what you have robbed us of. (Hear, hear; and loud and prolonged applause.)

There were cries of "Vote!"

The Chairman: The Plymouth amendment is that these words be added to the original resolution. All in favour of these being added say "Aye!" (The delegates responded.) The "Ayes!" have it. (Loud Applause.)

The following amendment was submitted by the Woolwich Royal Arsenal Society:—

Delete all words after the word "societies" in the third line up to and including the word "our" in line 12, and substitute the words "reiterates its."

Mr. F. A. Thomas (Woolwich), introducing the amendment, said: In the original resolution, by Mr. Sharples, you are asked to decide on two principles. You are asked to say you are satisfied "that the Parliamentary Committee took all reasonable steps (short of a public campaign) to avoid the imposition of the tax"—(hear, hear)—and further, you are asked to affirm "that we reiterate our conviction that the imposition of the tax is an absolute negation of justice." We feel we cannot agree that we are satisfied that the Parliamentary Committee took all reasonable steps. (Hear, hear.) We find this resolution to-day skilfully drafted bringing forth the principle that we are satisfied with the committee's conduct and it places us in the position that we cannot support the resolution. We say the movement was not consulted

by the Parliamentary Committee who kept us in the dark, and would not take us into their confidence. We ask you to separate the two parts. A good deal has been spoken to-day about unity. It is true that we shall get in the House of Commons only what we are able to enforce. Be united on one thing to-day, and that is that we affirm that the imposition of the tax upon co-operators is an absolute negation of justice, and you can do so by unanimously passing the amendment in our name.

Mr. Barnes (Stratford), supporting the amendment, said: If we take this question of excess profits from the commencement of the Government's action, there is no delegate here, if he honestly and fairly faces the position, but will admit that it is not to the Parliamentary Committee that is due any credit, but the propaganda of the retail societies, notably Plymouth Society. (Applause.) The Parliamentary Committee instead of anticipating and realising attempted to damp down the enthusiasm. The co-operative movement has decided to go in for politics, and I must say that Mr. May has given us a highly finished politician's speech. When the amendment was before the British House of Commons, I, in common with representatives of other London societies who were there interviewing, found no representative of the Parliamentary Committee present to watch that amendment. Mr. May, it is true, was ill; but if we are going into politics seriously, it is up to the people we put into positions to carry out their duties. If Mr. May was ill and at Harrogate, it was up to the Parliamentary Committee to see someone was there to defend the position of the movement. I heard Mr. Wardle (the chairman of the Labour Party) ask co-operators who were standing there, whether the amendment was satisfactory to the co-operative movement, and there was no one able to say whether it was or not. If there has been a misunderstanding or confusion, Mr. May will perhaps explain; but it does not reflect any dignity on the movement. (Applause.)

Mr. May (replying): Both with regard to the inception of the amendments to the 1917 Finance Bill and the action of the Parliamentary Committee in looking after your interests on that occasion, there is no basis of fact—except that I was at Harrogate—in the statement made by Mr. Barnes. It is absolutely untrue to say—as Mr. Barnes has done—that the Parliamentary Committee were

not responsible for the amendment on the paper. No one else was. I drafted those amendments myself in the House of Commons in the office of the Labour Party, with the assistance of the Labour Party's agent, subject to the scrutiny of the legal adviser of the Labour Party in this and other matters. I discussed this with the executive of the Labour Party, who agreed upon the lines of the amendment, the real drafting being done, as I have described, on lines previously approved of by the Parliamentary Committee itself. I cannot be more explicit than that. (Applause.) With regard to the recriminating matter introduced on the amendment, this was simply intended as recrimination and not to clear the position. In the very lengthy statement I made this afternoon, covering two years' work, it will be agreed that I did not introduce any specific reference to the attacks of any particular society or person—and there are heaps of them to which we could have given effectual replies. I hoped delegates would have left it there. With regard to the reference to absence of representation from the House of Commons, I have to say that everything was done that could be done. We could not influence the proceedings that were taken; and the arrangement eventually drafted was such that we had to take it or leave it. (Applause.)

There were at this point cries of "Vote!" "Vote!"

The Chairman: I have three names of people who want to speak. Is it your pleasure that Mr. Wonnacott (of Plymouth) be heard?

"Yes!"

Mr. Wonnacott: I sat by the side of and heard Mr. Barnes make the statement to the meeting which was perfectly true. He was in the Lobby of the House of Commons with other co-operators, but there was no representative from the Parliamentary Committee, whilst members of the Labour Party were asking the question as to whether the amendment would suit and what were they to do. The co-operators there decided what should be done, but we could not find a single member of the Parliamentary Committee there. At such an important stage, the Parliamentary Committee ought certainly to have been represented.

The Chairman: That has already been explained.

Mr. Sharples, replying, said: I don't want to stand between this meeting and the business before it. But I cannot understand why Mr. Barnes and Mr. Wonnacott have introduced things into the

discussion of this resolution which have no bearing whatever on it. What they have introduced is matter for future discussion, if they desire to raise it. ("Oh!") In 1915, the Parliamentary Committee did all that was humanly possible to protect the interests of the co-operative movement. If you don't accept that it means that all the zeal, fervour, and energy worked up in two years, would have been foreseen if you could have been consulted. You then could have foreseen the rise in prices which has entailed the payment of this Excess Profits tax as then framed. Knowing how slowly we move in our organisation—(hear, hear)—I say that the time then at their disposal was not sufficient to ask the movement to take the matter into their own hands. I think we have only one course to take and that is to vote for the resolution. (Hear, hear.)

The Chairman: All in favour of the Woolwich amendment say "Aye." The amendment is lost.

All in favour of the resolution and amendment by adding the words of the Plymouth Society, say "Aye."

The "Ayes" have it.

THE EFFECT OF CONTROLLED PRICES ON CO-OPERATIVE SERVICES.

Mr. Charter (Central Board): The resolution which I have been asked to move reads as follows:—

That this conference, having considered the possible effects of the fixing of retail prices by the Government during the war, strongly recommends the movement to strictly conform to all orders of the various Government controllers of commodities without reference to any effect which such regulations may have upon their present methods of calculating "dividend on purchases." Further, that in order to secure the best results, they should pursue the policy of declaring a general dividend on the whole of their trade.

In deciding to bring forward the subject-matter of this resolution the committee is fully aware of its importance and its possible effect on the position of societies, both from the point of view of reduction of disposable surplus and also the decreased volume of capital which in the ordinary way arises from such surplus being left in the society's funds, and which furnish a considerable proportion

of the capital used for carrying on co-operative business. This is a problem which has to be faced, but means will be found, I believe, to secure additional capital for the movement if our policy is so national in character as to secure the whole-hearted support of those who stand to suffer most on account of a lower purchasing power due to the increase in the price of commodities. The circumstances now prevailing demand our special attention, and with the problem of controlled prices before us the question of the attitude of societies in regard to the policy to be pursued and the methods to be adopted naturally arises. It was with the desire that some general policy should be agreed upon and carried into effect throughout all our societies that the board decided to bring the question officially before you, with the distinct recommendation that in every case controlled prices should be strictly adhered to, and that no request be made to the Controller for permission to put the amount of the usual dividend on to the controlled price of the article, on the plea that its return to the member has the effect of reducing the price charged to the original fixed. Whilst in effect this may be true, a very bad impression would be created as to what is really co-operative dividend. It would be strengthening the hands of our opponents when they say that whatever the member of a society receives in the shape of a return on purchases such return is the result of a direct overcharge on the prices ruling generally in the neighbourhood. Further, in many districts the high cost of living is a severe tax—to the poorer members especially—and we think societies should, after having demanded that essential articles should be State-controlled, use every effort to reduce the cost of living each week in the proportion that their organisation will permit. Briefly, it is more in the national interest that the weekly food bill of thousands of our members should be as low as possible than that we should return to them a larger surplus at the end of three or six months. The problem which is before us to-day is that of life itself, and we must do now as we have so often stated we are willing to do, viz., place the whole of the resources of the movement at the disposal of the State in this hour of its need, by so organising production and distribution as to secure to the poorest person the maximum amount obtainable on account of his purchasing power. By doing this we shall demonstrate our willingness and ability to assist those who are more concerned in the

well-being of the people and in relieving the burdens of the poorer workers than in studying their own immediate interests, individually or collectively. In regard to the question as to whether or not we should pay dividend on controlled articles, or whether we should sell them at controlled prices with no dividend, thus enabling us to pay a higher dividend on the uncontrolled articles, we are unanimously of opinion that the only safe policy, the only fair policy, is that you should treat the whole of your members, rich and poor, alike, and not penalise the poorer members who have to spend the bulk of their income on controlled articles, and give the benefits to those who are able to pay the higher prices on uncontrolled articles. Every member should receive the benefits of our organisation. Let us transact our business in the interests of the nation at large. Benefits should be distributed not in accordance with ability to spend the most money, but in accordance with the needs at this period in the world's history. To refuse to do this will be to deny the benefits of collective trading to those to whom it is of the greatest help, and to give the financial advantage of our organisation to those who are able to spend most in those goods of a higher profit-bearing nature; or, in other words, to penalise the member with a small wage, and who must therefore spend the bulk of his income in articles essential to existence, in order to give an undue advantage to the more fortunate member. "Each for all, and all for each," is a motto which is often quoted by us. If there ever was a time when it should be applied it is now, and we can only do this when we recognise that, rich or poor, we should in this time of national stress extend a helping hand to our less fortunate neighbour. We shall, by this means, give public evidence that we are indeed an organisation existing solely for the well-being of the general body rather than for a portion of the community. We submit, therefore, that taking the purely co-operative view, and seeing we have demanded to be taken into consultation in matters of administration dealing with food control and others of national importance, we must be consistent, and be willing to give our aid, and that in the widest possible sense. Many persons have, from time to time, advocated the elimination of dividend from co-operative trading. Whilst this is open to diversity of opinion in normal times, we have an opportunity now of trying the experiment of paying returns on all goods, therefore declaring a decreased divi-

dend, and seeing whether our reward will come in the increased confidence of those whom we are out to benefit. At this time we shall be judged by the faith we have in ourselves, and by our achievement will our value be measured. We demand a place in the councils of the nation. Let us prove now by our whole-hearted national spirit that we recognise the world as our kingdom and the well-being of its people as our inheritance. (Applause.)

Mr. Jarman (Warrington), in seconding, said: There seems to be no other course open to us but the one mentioned in the resolution. Although societies have, in a few instances, decided on not paying a dividend on foodstuffs, the action does not commend itself to me. The question of a different rate of dividend may be raised, and although many of our societies have paid a different rate on butchery in the past, that may be considered a separate department differing from others in many details, and the actual expenses of which can be readily ascertained. Respecting control goods, however, it is evidently impossible to say what proportion of time (rent, rates, &c.) is occupied in packing or distributing a tin of salmon or a pound of margarine against that occupied in distributing a pound of tea or butter; also that from a purely co-operative point of view, our departments are for the service of all members alike and all should equally share in the surplus, however made. If the policy is to be adopted generally of no dividend, or reduced dividend, on controlled goods, the tendency will undoubtedly be to remove some of that trade at least from our societies, leaving them with a higher average of expenses on the remainder. To attempt to-day to drop payment of dividend on controlled goods on the ground that the margin is insufficient to meet expenses and dividend, is to practically admit that we cannot sell at the same prices as our competitors and provide a surplus, and thus prove their statement that our dividend is but the return of overcharge made beyond usual prices.

Mr. Neville (Woolwich) moved the amendment sent in by his society, which read:—

Delete all words after the word "recommends" in the third line up to and including the word "purchases" in line eight, and substitute the following:—"Societies to regulate prices in accordance with the orders of the various Government Controllers of Commodities

in such a manner that the trading surplus realised shall not exceed the usual pre-war dividend."

My committee, he said, were at a loss to understand what was meant by the resolution. You are recommended to "strictly conform to all orders" of the various control departments. That seemed capable of a double interpretation, and I wondered to which section of the movement it was addressed. Had it been tabled after Mr. Killon's speech, I would have said it was addressed to the C.W.S. (Laughter.) You are a loyal community, and you are bound to conform to the regulations. But you are asked to conform to those orders without reference to the dividend. (Applause.) What is the position of the societies that have been satisfied with a small rate of dividend? You have societies paying dividends ranging from 1s. to 3s. 6d. in the pound. In fixing our prices under the various orders we have to consider their effect. We have sold bread for many months under the selling price prevailing in the districts. We are selling bread, meat, and milk at less than the maximum selling price allowed under the various orders concerning these articles. (Applause.) Further than that; unless we do keep down our prices our pre-war dividend will be exceeded, and we will be taxed on "excess profits." We say we cannot vote for the resolution as it is worded here. We are below the general rate of dividend. Since the war we have had a policy of a special dividend on bread. How are these prices under the orders fixed? The various margins are fixed after consultation with the trade, and sometimes we are given a miserable representation with the trade. The margin is sufficient for the vested interests or it would not be allowed. If this is more than sufficient to cover what is needed by the co-operative movement, are we going to give up our ideas and take our share like the profiteers? So far as our society is concerned, we have escaped Excess Profits Duty; we will not adhere to the maximum rates, but will sell under these maximum rates when we possibly can. (Applause.)

Mr. Bull (Woolwich): I should just like to emphasise one point put forward by the mover of the amendment, that what the Woolwich committee had in mind was the effect of selling commodities at the maximum prices fixed by the Food Controller, and with that in view they could not see their way to vote for this resolution.

It would mean they would have to advance their prices, which would result in making a larger per cent. of profit. (A voice: "We can't hear.") Their desire was to give the best possible value to the members at lower prices than those fixed by the Food Controller if at all possible.

Mr. Shinner (Chippenham): I wish to speak against the Woolwich amendment and in favour of the resolution, and why I desire to speak against the amendment is this. I have always been in favour of low dividends, because I believe low dividends mean low prices for commodities. It seems to me from the Woolwich amendment that societies which love high dividends will have to keep up the prices of their commodities to such an extent as will enable them to pay—"No!" "No!"—at least some of the dividends that they have paid in pre-war times. ("No!" "No!") I would rather have seen upon the amendment paper a resolution from the Royal Arsenal Society regretting the fact that our Food Controller has not dealt with the profits made by the wholesaler, and limited them. This has had a great effect upon our movement, and has given the multiple shop a decided advantage over us as co-operators, seeing that such companies are able to control certain commodities from their source. I desire, if the chairman will allow me, to add—"No!" "No!"—I should add a few words emphatically protesting against the action of the Food Controller in that he has not disturbed the wholesaler's profits whatever.

The Chairman: I am afraid we cannot accept your suggestion.

Mr. Shinner: I hope you will vote against the amendment and in favour of the resolution.

Reply to the Discussion.

Mr. Charter: The first question to which I have to reply was raised in the form of a point of order, and was, whether we can avoid standing by the Food Controller's orders. In all honesty no, but there are many instances outside the co-operative movement where the Controller's orders are being flagrantly ignored; and it was with the idea of giving the world the knowledge that whatever the co-operative movement might be it was at least prepared to accept the orders in the spirit they were made, and carry them out in detail in the manner that had been suggested. In this direction I just want to refer you to the chairman's remarks

this morning; they were only two or three words, viz., "our principles have stood every modern test." May I submit we are asking you in this latest test to still stand by your principles. Regarding the Woolwich Society's amendment, I am going to ask you not to accept it. We have no idea of asking those societies which are charging under controlled prices to come up and say "no" but if you knew the instances which come under the notice of the Parliamentary Committee, in which even co-operative societies were trying to ignore controlled prices, you would realise that there was necessity for placing a motion of this kind before a gathering such as this. Woolwich Society is not typical of all societies. Woolwich is quite at liberty to sell controlled articles at whatever price it likes so long as the price is not above the controlled price. But the wording of the amendment would suggest—I will read it to you:

Delete all words after the word "recommends" in the third line up to and including the word "purchases" in line eight, and substitute the following:—"Societies to regulate prices in accordance with the orders of the various Government Controllers of Commodities in such a manner that the trading surplus realised shall not exceed the usual pre-war dividend."

If I want that to read any other way I have got to regulate the Controller's prices so as to return a dividend equal to or nearly equal to what I returned previous to the war. May I submit that this is a question of policy that has been submitted to you, and really and in effect the Woolwich Society's amendment is not an amendment at all; it simply removes certain words, and in my opinion the substitution of these words is to alter the whole sense of the resolution, and does away with having moved it all.

The Chairman, having taken a vote, declared the amendment lost, and the resolution, as printed, with only one or two "Noes," carried.

The Chairman: We have come to the end of our programme within these walls thirty-five minutes within our time. (Applause.) After your day of splendid devotion to duty you have earned something in the way of recreation. There is one thing I want to say. Before you make your way to Drury-lane, or elsewhere—(laughter)—there is a duty devolving upon you which is an essential part

of this Conference. You know that your society has made representations to the member of Parliament for your constituency, and you are expected to meet your member at the House of Commons at 6-30 to-night. There must be no single delegate absent. (Hear, hear.) I need not tell you what you have to say to your own particular member. The text of the proceedings to-day is ample and sufficient for you to go to him with. If your member has not responded to your invitation to be met in the House of Commons, go and look him up and get him out. If he happens to be at the front, help someone else to interview his member. (Laughter.) If you feel that your member is perfectly safe; go and make sure that he *is* perfectly safe. If your member happens to be a Labour Minister, go and have a look at him, because one Labour Minister said to his co-operative constituents when they wrote to him a little while ago on the Excess Profits Duty: "That is a matter for the Chancellor of the Exchequer." Let it be understood that this is a matter for every member of the House of Commons. (Loud applause.) Whatever else members of Parliament are neglecting, they are not neglecting their own Parliamentary future. ("Hear, hear," and applause.) Tell your member of the injustice we have suffered. Let him know what our programme is, and let him know what our proceedings here are. (Applause.) Give him to understand that if he is a candidate for the next election—and that may be early—he is to return to do justice to us. (Loud applause.)

A Delegate suggested that every delegate should make a return to the Parliamentary Committee of any promises they got from their members. (Hear, hear.)

The Chairman: I am sure the Parliamentary Committee will only be too pleased to have such information.

The Conference then rose for the day.

Thursday, October 18th, 1917.

MORNING SITTING,

The Chairman: Before proceeding with our agenda this morning, I want to express my deepest gratitude and profound sense of appreciation of the response which the delegates made to our appeal yesterday to get to the House of Commons last night. (Hear, hear.) Personally, I am proud of you, and no words of mine could adequately express or convey the effects of the scene in the House of Commons. The outer Lobby, the inner Lobby, the gallery, the smoke-room—they were all crowded with co-operators. Wherever you went delegates were busy in consultation and in conference with their members, and for an-hour-and-a-half the scene was most animated and inspiring. To me it was a historic picture worthy of the painting of some great co-operative artist. (Hear, hear.) I can only say it was really a soul-stirring scene, and if anything was wanting to give me further conviction of our determination to pursue the attainment of the goal of our efforts, my conviction was once and for all settled by what I saw last night. The way you dealt with the business yesterday was really splendid; but by going to the House of Commons you did the movement a real and incalculable service. (Hear, hear.) I thank you from the bottom of my heart. You deserve well of the societies which sent you here. I say to all of you, "Well done, good and faithful servants." (Applause.)

**THE OPERATION OF THE MILITARY SERVICE
ACTS UPON CO-OPERATIVE SOCIETIES.**

Mr. May (secretary of the Parliamentary Committee) moved the following resolution:—

That this conference emphatically condemns the unsatisfactory methods of the Government in applying the

Military Service Acts, not only with regard to their unfair operation on co-operative societies, but also upon the citizens generally. It also expresses its strong objection to the constitution of the Tribunals which have been set up, and of the inadequate safeguards against prejudicial treatment by the Tribunals and the undue limitation of the operation of the Act when of benefit to the applicant; and the general methods of administration, which subvert the principles of democratic government, and would only be tolerated in a national crisis like the present.

It is impossible to deal adequately with this subject in the ten minutes allowed me under the Standing Orders. I am, therefore, going to content myself with putting before you, as rapidly as I can, some of the facts which we have to face so far as our societies and the Military Service Acts are concerned, and to indicate a few of the grievances we have against those whose duty it is to administer those Acts. I have spent a considerable amount of time in sorting the correspondence which I have had with societies on this subject, and the letters I have brought with me to this Conference form only about a fiftieth part of the quantity I have received. I will, however, only give you details of a few special cases, but they will be sufficient to demonstrate to you the difficulties we have had, and societies have had, arising out of the administration of the Military Service Acts. Our first difficulty—and this applies to other trading organisations as well as co-operative societies—is the multiplicity of authorities which have been appointed in connection with these particular Acts. Let me just recite them to you, and I think you will startle at their number. I was rather startled myself when I had tabulated them all. Here is the list, and the first is the Advisory Committee, the second the Local Tribunal, the third the District or County Tribunal, and the fourth the Military Representative, because he is an institution in himself. (Laughter.) Then come the Central Appeal Tribunal, the Reserved Occupations Committee, more than one Home Office Subcommittee, special committees set up for recruiting purposes, the National Service Department, Board of Agriculture, Ministry of Munitions (indirect), and at the head of the whole the War Office. It is said that the blessed word Mesopotamia is going to be substituted by the equally blessed word co-ordination, but they have not learned that word at the War

Office yet. Bearing in mind this appalling list of authorities, and remembering they are all doing their best to defeat you in securing the advantages of the Military Service Acts and to drag into the ranks for military service all and sundry, legally and otherwise, is it difficult to realise that the task of putting right the wrongs of our societies is very nearly impossible? Now in actual work, the Advisory Committee and the Local Tribunal are almost identical, and the Central Appeal Tribunal, for all effective purposes, has been dead long since. Only appeals which have been agreed to by the District or County Committee can come before the Central Committee, and in ninety-nine cases out of a hundred the District or County Tribunal withholds the necessary permission, because it is not going to have its brief authority interfered with by some superior authority when and if it has power to prevent it. So far as the Reserved Occupations Committee is concerned, all I can say is that it is practically useless so far as securing for our societies that consideration to which they are entitled. I have been called, in consultation, at the Board of Trade several times in connection with this committee, and when I showed very little interest in the proceedings, and was asked the reason, I replied something like this: When you succeed in inducing the War Office, the Military Authorities, and the Tribunals to respect your regulations and certified lists which you issue, then I shall take an interest in your proceedings. At the present time they take up the same attitude towards the reserved occupations lists as the military representative in the case of a certain conscientious objector. The conscientious objector said he had always endeavoured to order his life according to the laws of God, and the reply of the military representative was: "Oh! damn the laws of God." That about represents their opinion regarding the reserved occupations lists. You can follow this on step by step. Mr. Smith (of Edmonton), who is a co-operative representative on one or two Government committees, and who was present at the Home Office on another occasion when the question of finding men was under consideration, will bear me out when I say there is no co-ordination or co-operation between the Home Office and the military authorities, with the result that what is done on one hand is destroyed on the other. If you go to the Local Government Board they tell you they cannot interfere with anything done by the local tribunals, and if you deal with the

Reserved Occupations Committee it is simply a case of futility from beginning to end. With regard to the War Office, I want to say quite frankly, as I said at the Lancaster Congress, when I read a letter from the War Office, at the beginning they did their best to stem the tide of military representatives who, in private life, were often solicitors or representatives of local traders' organisations, introducing irrelevant matters when co-operative cases came before tribunals, such as the question of co-operative societies paying income tax. The War Office, I believe, honestly tried to deal with that matter eighteen months ago, and they have asked me, on behalf of the co-operative movement, to send on to them cases where we thought we had just cause for complaint. Unfortunately the officials at the War Office have wearied in well doing, and their latest reply to my representations is that they cannot give co-operative societies "exceptional treatment," and that these matters are at the discretion of the local tribunals. I say we have never had anything else but "exceptional treatment." I will now give you, as rapidly as I can, the details of two or three cases where we think co-operative societies have been singled out for this "exceptional treatment." Kilsyth is a case in point, and it is selected from six or seven cases I have had from Scotland, of a similar nature. Here we have the chairman of a local Tribunal—a draper by the way—refusing to allow another member of the Tribunal, who happened to be a member of a co-operative society, to retain his seat when co-operative cases were being considered. He was also chairman of the Appeal Tribunal. Eventually, however, with the aid of Mr. Tennant (the Secretary for Scotland), we induced the Tribunal chairman to come to reason, and the co-operative member was allowed to remain on the Tribunal even when co-operative cases were being brought forward. That particular co-operative member was not on the Tribunal as a representative of a co-operative society, he only happened to be a member of a co-operative society. Kilsyth's experience has been repeated again and again in different parts of the country, but that is one we got put right. Some of the difficulties which societies have been experiencing arise out of the substitution scheme, under which societies have had forced upon them commercial rivals, or the employees of commercial rivals, and their own managers taken for the army. I don't think I need say much about this matter; it speaks for itself. We have

been met with the same refusal of representation on local Tribunals as we are experiencing with regard to Food Control Committees, and with the same result, that is to say, we have not got there yet. Employees of societies may be forty and forty-one years of age, and, according to official lists, in reserved occupations, but military representatives have the power to say, when their cases come before the Tribunal, that it is not in the national interest that those men should be retained in their present occupations, and more often than not the Tribunals promptly agree.

The Chairman at this stage intimated that Mr. May had exhausted the time he was allowed under the Standing Orders, but if the conference desired that Mr. May should have an additional five minutes he had no objection. Agreed.

Mr. May, proceeding, said: I will now take the case of the Longridge Society (in Lancashire), which is one of the most serious I have come across. I met the manager at the Union offices, in Manchester, and he told me a most pitiable tale of his society's difficulties. The society only appealed for the retention of the general manager, who was forty-one years of age, and the heads of departments, who are commonly described as "pivot" men. As I pointed out to you at Swansea, exemptions for "pivot" men have been granted to private traders' organisations, but when we ask for similar treatment we can get no response. The work we are doing for the Government in various ways proves we are just as anxious to do our bit as citizens as any other body of people, but when we appeal for the same treatment as is given to other organisations we are met with refusal; and that is the reason of our resolution this morning. (Hear, hear.) Going back to the case of the Longridge Society, the military authorities next secured the release of the baker, who was the only man left in the bakery, and who was in a certified occupation. I asked for a re-hearing of the case and succeeded, but the man had to go; and it was somewhat curious that at the same time as the military authorities took the baker, the naval authorities took a boy seventeen years of age employed in the bakery. So far as the boy is concerned, it is a fact that he had freely attested, and I am not going to do anything but admit that aspect of the matter. The society was thus left without anybody in the bakery. Then the only man in the coal department (a coal bagger) had to go. The department was partly

run by women, and the society was naturally anxious to retain the services of this man, who was in a certified occupation. We appealed and tried to get the decision altered, but failed. Finally the military authorities went for the general manager, who, as I have said, is forty-one years of age. Then we have the case of the society at Cambridge, where the caste system, of which you speak in your policy and programme, comes in. Mr. Charter (the managing secretary), who is at this Conference, could give you more details than I can, but I may say that of the 102 men the society had before the war, no less than ninety-nine have been called up, and during the past month we have had a desperate struggle to retain the grocery manager. Another society on my list is Great Yarmouth. However, before the war, the society had forty-seven males in its employment. Thirty-nine were of military age, and of those twenty-eight voluntarily attested, and eleven others were called up. Thirteen more men, apparently exempted on medical and other grounds, were taken on by the society, and of these a considerable proportion have since been medically re-examined and called up. Finally, the military authorities did the same as at Longridge; they called up the managing secretary, and again we had a desperate struggle to prevent his being taken for the army. With regard to Kirkinilloch, the society had fifty-nine male employees before the war. Twenty-eight were called up at once, eight others are now due, and only one employee has been granted exemption. Other societies on my list are Nottingham, Derby, and Brightside and Carbrook (Sheffield), but I think I have said enough in support of this resolution. (Applause.)

Mr. J. Dimberline (Brightside and Carbrook): I have pleasure in seconding the resolution moved by Mr. May. I want to give you some idea of how this operates in my own society. I am secretary of the South Yorkshire district—the largest district in the Union—and what I am going to describe may be taken as typical of the treatment of the whole of this district. Shortly after the war commenced a number of our men volunteered. As pressure was put on we liberated men to go into the army as far as possible. When it ceased to be a question of liberating men, they put on the pressure and 75 per cent. of our male employees were taken into the military service, and 18 per cent. went to munitions. We have a

membership of 36,000, and a turnover of one-and-a-quarter million per year. When the Ministry of Munitions began to build huts for munition workers in Sheffield, the representative of the Minister sent for our secretary and president and asked us to take over the catering and look after the huts. We gladly took that on, not with an eye to making profit, but because we were prepared to do anything we could to help the nation. The representative of the Ministry of Munitions told us we could explain our position with his department when the military authorities wanted to put on pressure in future. You can all quite understand that work like this affected every department of the society. We had to find a new staff for the munitions blocks, and that had to come out of our other departments; but the only concession we got was with regard to sugar for the munition workers. That was the only concession we got, and we had to feed between 800 and 1,000 of these per week. The authorities came to the butchery department and they took men to the extent that we have had to put eight women in to manage butchery shops, and men had to leave the butchery shops to go to the slaughter-house to do the killing. The military then came and said they wanted two more men, and the military representative got his appeal. In our area we have two tribunals to deal with, and the chairman of one of these is also the chairman of the Appeal Tribunal; so that if we want to go to the Appeal Tribunal from one of these tribunals we have to appeal to a tribunal whose chairman is the chairman of the tribunal we are appealing from. (Laughter.) We made ten appeals to this Appeal Tribunal, not one of which was granted. We had two men carting coal, and there were two men carting coal for somebody else; but the military took our two men and left the other two to continue carting coal. In our dairy department we do 10,000 gallons of milk per week; and they wanted to leave us with one man. We are not ruled by the Government at all. We are ruled by departments. We went to the head of the War Office, and they sent a man down. The men are going to be appealed for; but the War Office has said they will hold the matter in abeyance. I want to urge societies that have any trouble at all to go to the heads of the departments direct. (Applause.)

Delegates showed the desire to have the resolution put to the vote; but the Chairman decided to allow the discussion to proceed.

Mr. Brown (Coalville): I want to raise one or two points. I happen to be one of the victims. I am a co-operative member of a tribunal. We have one of the nicest military representatives that ever sat on a tribunal. We object to the power he has after we have given our decision. He says it is his duty to get men into the army. It is unfair that the local tribunals should be elected to sit over cases of which they have first-hand knowledge, and then cases should be appealed against and taken to some tribunal which had no knowledge whatever of the circumstances. (Hear, hear.) I happen to be connected with several Acts of Parliament for the benefit of the working classes, but if we want to have working-class legislation let us see that it is of real benefit to us and not a sham. We don't want it to be possible for one man to be master of the situation. (Hear, hear.) These are the points we want to watch, and not have Acts which in operation turn out otherwise from what was intended. It is a scandal that these committees should be appointed locally and then the military can go over their heads without any knowledge of the circumstances.

There were cries of "Vote!" and on being put the resolution was carried.

TRADE UNIONISM AND CO-OPERATION.

The next item on the agenda was the consideration of a general statement of objects to be furthered and attained "by the United Advisory Council of Trade Unionists and Co-operators. The statement was as follows:—

- (1) That, having regard to the mutual interests of the trade union and co-operative movements, the need for promoting a better understanding, a closer working agreement, the carrying out of a joint programme for educational and practical purposes without in any way interfering with the separate and distinct functions of either constituent body, and the decision of the co-operative movement to recognise the trade union rates of wages and conditions of employment as laid down by the unions affiliated to the Trade Unions Congress, it is incumbent upon all trade unionists to become active members of their local co-operative societies. As those employed in the co-operative movement will be

guaranteed the trade union rates of wages and conditions of employment, it is equally incumbent upon co-operative societies to encourage all their employees to become members of their respective trade organisations.

- (2) The establishment of friendly and cordial relationships between all branches of the co-operative movement and their employees, so that all differences as to wages and conditions of service may be mutually and satisfactorily adjusted before any cessation of labour takes place. (The foregoing provisions are not intended to interfere in any way with the work of the existing Joint Committee.)
- (3) The consideration of how far it is practically possible for the surplus capital of the respective movements to be utilised for the promotion and development of co-operative enterprise, and making of recommendations thereon.
- (4) The examination of the facilities for banking and insurance now offered by the co-operative movement, to see where these can be extended and improved or made more adaptable to working-class requirements, especially with regard to the provision of facilities through the various co-operative stores in the country, so that cheques presented by trade unions can be honoured in such manner as will best meet the convenience of the trade unions and the co-operative societies.
- (5) The consideration of how far it is desirable and possible to ensure the unrestricted distribution of food supplies or the payment of benefit during important trade disputes by issuing through the various branches of the co-operative movement food coupons or loans from the Co-operative Wholesale Society's bank on the security of trade union assets.
- (6) That not only is it imperative that trade unionists should themselves become members of co-operative societies, but that both husband and wife should become members, and take a joint interest in the progress and development of the society, since both are equally concerned in its well-being; and we recommend that where the present rules prohibit husband and wife from both being members, societies should amend their rules so as to admit of open membership. We also recommend the abolition of the entrance fee.

- (7) The preparation and distribution of suitable literature with the view of influencing the officials and members of the trade union movement to take a more decided and active interest in co-operation, and for influencing the officials and members of the co-operative movement to become members of their respective trade organisations; and that for the proper carrying out of this object each should notify the other and ask for support when any meetings are being convened by either body for the purpose of conducting propaganda work.

Mr. W. H. Watkins (Central Board) brought the statement before the notice of the conference, and moved the following resolution:—

That this conference welcomes the attempt now being made to bring about a closer unity between the co-operative and trade union movements, and the delegates present pledge themselves to do all in their power to further this policy in their respective societies.

Mr. Watkins said: The resolution I have moved is in itself commendably brief, but when all that is implied in it is put into operation it will be very far reaching in its results. There is a feeling that the two movements should come closer together. There are a good many words on page 13, but I will endeavour to summarise the articles of faith. The first indicates reciprocity between the two movements, on the lines of one good turn deserving another. It is intended that all co-operators shall be trade unionists and that all trade unionists shall become co-operators. (Hear, hear.) This is the idea upon which the whole scheme will eventually be based. The feeling is that if we realise fully that we are all members one of the other there should be internal harmony as between the two bodies. The second recommendation refers to that, and all means should be found to settle all difficulties before we come to the point of striking. The third point is a financial one, and a very important one. The idea there is that working-class finances should be used for the furtherance of working-class aims, and the promotion of working class ideals. (Hear, hear.) So it is hoped that trade unionists will invest their money in the co-operative movement, and help jointly to develop working-class enterprise. Next we have banking and insurance. (Hear,

hear.) We have not in the past paid sufficient attention to either of these two aspects of life and work. (Hear, hear.) We have allowed other people to use our funds for their profit, rather than using them for our own benefit. (Hear, hear.) We must do all our own banking and our own insurance. (Hear, hear.) You will all agree there is plenty of room for expansion in regard to banking and insurance, and the putting into operation of the fourth proposal would lead to the utilisation of working-class money to an extent never imagined before. No one can predict the immediate future of the working classes of this country with any degree of certainty, and the trade unionists may find it necessary sooner or later to make a supreme effort for the attainment of certain objects which I do not think need enumeration to the conference. That "supreme effort" may take the form of a strike or a series of strikes, and in those times it would be very helpful to the trade unions concerned if they could rely on unrestricted supplies of food. The various branches of co-operative societies are exceptionally placed for rendering the trade unionists of the country the service, and, as the delegates would see from the statement placed before them, it would be one of the objects of the advisory council to consider how far it was desirable and possible that the co-operative movement could and should go in that direction. In this clause the idea is that co-operative societies should be the Food Store Houses for the trade unions in their most difficult times. Those who remember what was done in the great Dublin Strike will understand what I mean by that. (Hear, hear.) Trade unionists will be able to rely upon co-operators for assistance in times when otherwise they might go very hungry. (Hear, hear.) We are making our societies more and more of a family concern. The movement is a domestic concern, as the ladies present know very well. Men should begin to realise what is possible with full and complete development. The woman wants the man at her elbow when co-operative business is being discussed, and I suggest that the men ought to consider jointly with the women those important problems of life with which we are confronted. (Hear, hear.) They should be so brought together in our co-operative societies, and to the end that those societies should become family affairs, entrance fees should be abolished. (Hear, hear.) Then, finally, when we take the field to extend our bounds we shall do it jointly.

There will be a platform common to both movements--co-operation and trade unionism. The two things will go linked together. If we cover the field mapped out in this scheme, it will have far-reaching consequences upon working class life and upon the national life generally. Twenty millions of our people are directly associated with these two movements. There is a possibility of another ten or fifteen millions more being included within the limits of the movement. (Hear, hear.) We are irresistible if we only knew it. With the addition of these fifteen millions no phrase would describe what could be accomplished. (Hear, hear.) Keep this in the forefront of your business, and see that the ideas brought together in this way are so developed that they will attain to full fruition. (Applause.)

Mr. Stubbs (Cambridge): I second this resolution because I believe it will set up a thorough working-class party. The trade union movement and the co-operative movement have one common enemy, and it is the duty of the two movements to join hands and close their ranks against the common enemy of the working classes. (Applause.) The time is coming when these two movements must stand shoulder to shoulder against that dominant capitalist class and the profiteering class. We were urged yesterday and to-day, and we have been letting off steam against those who trespassed against the interests of the working classes; but if there is to be any justice meted out to us we shall have to sink our differences, and stand on a united platform. (Applause.) We have heard how our movement is treated by the tribunals. We have to get rid of the Acts that are put round the necks of the workers, and we must, to do that, have a united working-class party. I agree with the mover of the resolution about the Dublin strike. I was one who saw the C.W.S. food ship sailing out of the docks at Manchester with tons of food for the strikers, who were making a drastic effort to improve their social and economic conditions. I hope the trade unionists will put their money into the C.W.S. bank, because the weapon of the capitalists is starvation for our wives and children; and if the trade unions put their money in the C.W.S. bank, in the event of an industrial dispute they can take it out through the local co-operative society, and that weapon of starvation will be eliminated, and the workers will not hear again of starving women and children. (Loud applause.) I hope the co-operative movement

will rise now, as it has never risen before, and show to its enemies the power of the working classes. (Applause.) We have a world to win, but we will only win it by a united effort by the trade union and co-operative movements. (Loud applause.)

Mr. Pickles (Pendleton): Anyone connected with the administrative work of a co-operative organisation will recognise that he is working for one common cause through various democratic organisations, and so frittering away much of his energy. There are *many* weak voices, but we want *one* strong voice. We want to declare with one strong voice what democracy wants, and insist upon having it. I am a socialist, a trade unionist, and a co-operator. I am attending meetings one night as a socialist, another as a trade unionist, and another as a member of a co-operative board, but I am working for democracy in sections. Our weakness is that we are frittering away our power through lack of unity. We all anticipate that to-day we are going to form a national political party. (Applause.) Where shall we stand then? My associations may possibly spend themselves over three candidates professing to represent democracy, and I shall be a member of every organisation running them. (Loud laughter.) You may smile, but it is tragic. (Hear, hear.) We shall have to meet that position, and we shall be a laughing-stock in the eyes of the capitalist classes, who at least know how to organise for a given end. (Hear, hear.) If we want the friendship of the trade unions, let us not deal with so-called trade unions that are not recognised as trade unions. (Loud applause.) We are being played off like fools—(hear, hear)—we are being squeezed by a so-called trade union that is not a trade union. (Hear, hear.) To place reliance upon the trade union movement would be more logical. (Applause.) It is high time now that we sought democracy—not co-operation, or trade unionism, or socialism, but democracy. (Applause.) Let us put all our cards on the table, stand together, and go forward for democracy—(applause)—triumphant democracy. (Loud applause.)

Mr. Lumley (Oldham Industrial): Like the last speaker, I claim to be a socialist, a co-operator, and a trade unionist, but I dissent from this resolution because it does not go far enough. We sent in an amendment, which was not accepted, but I shall just read it to you. (The Chairman: "Oh, no!") Very well, then! There

appears to me to be a danger of this scheme for unity being wrecked at the launching. The resolution does not indicate that there are a good many trade unions being left out. This scheme only concerns those trade unions that are inside the Trade Unions Congress. ("Hear, hear," and applause.) I want to ask you—we are all employers of labour here—can we, as employers of labour, tell the employees of the movement what kind of union they shall belong to? That is not our province. (A Voice: "And it is not the question, either.") I am a trade unionist as well as a co-operator. ("Question!") There are thousands of my colleagues who want to give this movement a push forward. There are 70,000 trade union members employed in the movement, but left out of this scheme. ("Let them come in!") We have here delegates who are members of the A.S.E.—(hear, hear)—but they, too, are not included in this, because the A.S.E. is not included in the Trade Unions Congress. We don't want to keep any trade union out of this scheme. (Further interruption.) I am a member of the National Conciliation Board, and that, too, is excluded from this scheme; yet during the last twelve months we have settled disputes affecting about 150 societies. (Continued interruption.)

The Chairman: Mr. Lumley is entitled to a hearing, and to express his views.

Mr. Lumley: Thank you! If this resolution goes out in this restricted sense we are raising opposition in a large army of workers who are excluded. (A Voice: "They can come in!") It is not for you or me to say what our employees are to do. We should leave these things in the hands of trade unionists. ("So we are!") Seeing that this resolution is premature, and that it leaves out a large number—more than two unions, remember—it should be dealt with only when it has been fully considered by the Central Board, and after they have had a chance of consulting these large organisations. The resolution should be deferred to the next Congress.—("No!")—to enable this to be done. ("No!") Well, that is my appeal and warning. ("Oh!")

Mr. Rogers (Northampton): I hope you don't intend to be misled by any specious arguments put forward by Mr. Lumley. I also can claim to be a socialist of twenty years' standing, a trade unionist of longer standing, and a secretary of a conciliation board,

and I urge this Conference to take no notice of what Mr. Lumley has said. (Hear, hear.) Who has increased the membership of the union for which Mr. Lumley is speaking? The people in the audience. You have been educators and organisers for this particular union, and what consideration do you receive when it comes to a question of issue? ("None.") If these men really stand for trade unionism, for virile trade unionism, let them put up a virile fight to raise the status of the shop assistants. (Applause.) We cannot get them to do anything only make demands upon local committees for advances. (A voice: "Poachers.") They won't come and stand on the market square and do a bit towards raising the status of the poor fellow who is earning his living in the competitive trade under the capitalist system. Mr. Lumley said we should defer this resolution. I hope we are not going to defer it, but to carry it unanimously, and having carried it unanimously do something towards putting it into operation. I would now like to raise the point I really came forward to speak about. I notice in the latter clause of the general statement of objects of the Advisory Council that it is stated it is equally incumbent upon co-operative societies to encourage all their employees to become members of their respective trade organisations. When I first went to Northampton, I think about 5 per cent. of the employees were members of their trade organisations. To-day, 100 per cent. of our employees are trade unionists, but they are not all members of Mr. Lumley's organisation. We invited them to join organisations which specially cater for their particular industry. (Hear, hear.) That is why I like to see in the statement of objects of the Advisory Council, that it is incumbent upon societies to encourage all their members and employees to join the respective trade organisations which cater for their particular trade. There is work to do amongst our members. (Hear, hear.) I was speaking at a meeting on Monday night, and a lady there said "co-operation covers everything." I think we can knock that out of their heads. We don't all work for co-operative societies; some of us have to earn a precarious living in the outer world, and, therefore, we want to be members of the trade organisation in order to raise the standard of life when we are working for these capitalists. Don't make the excuse you cannot be a trade unionist because there is no trade union that organises for you; I have been a member of

the Gas Workers' General Union for many years. (Laughter.) Get your trade union qualification.

Mr. Duerden (Preston): I rise to speak in favour of the resolution that is submitted to you as a trade unionist, co-operator, and as a co-operative socialist—(laughter)—and the reason for that is as follows: If you are a trade unionist you must go one step further and be a co-operator, and if you approve of the principles of co-operation you must of necessity and essentially be a trade unionist. Trade unionists are organised in the methods of production. Co-operators are an organised body of consumers, and it is necessary that the two bodies should combine to work for one specific end. I believe trade unionists, so far as their activities in production have gone, have secured something of the ideals that they set out for. But when it has come to the question of spending their wages to the best advantage, they have left the matter in the hands of their wives, and in a large number of cases, have ignored the ways and means in which those wages have been spent and have not received from them the fullest benefit that they ought to. There is one point trade unionists have neglected to consider, and that is the organising of their consuming power through the co-operative movement for the benefit of both. Much has been done by co-operators and much by trade unionists, but I believe much more remains to be done, which can only be done by the joint organisation of these two bodies. So far as my statement that I am a co-operative socialist is concerned, I believe that co-operation is the only constructive socialism that is possible of success. I am of opinion that by supporting this resolution we shall be doing the best thing possible.

Mr. King (Stratford), who did not give his name, and who, on being asked for it, said "King of Stratford, commonly called 'Joe.'" (Laughter.) I would like to support this resolution, first, as a trade unionist who was in the trade union movement when it was dangerous, difficult, and risky to be attached to it. Men in those days got very little thanks for what they tried to do for their fellows, and it is due to those old pioneers that the path you are treading to-day is as easy as it is. Secondly, I am here as a co-operator, but—and this is my "thirdly"—I am not here as a socialist. (Laughter.) I belong to that eminently practical section of the community who believe, very definitely and very distinctly,

that any fool can criticise, but what is wanted is constructive statesmanship. (Hear, hear.) So far as the cohesion of these two bodies is concerned, let me say that in my judgment there never should be any question about this. The man who is a trade unionist and not a co-operator is only half a man—(laughter)—and the man who is a co-operator and not a trade unionist has not completed his education. (Renewed laughter.) To really complete his education, as a trade unionist, he wants to be a trade union organiser, or at least be on the executive committee; and to be a co-operator and completely educated he wants to serve on a general committee, (Laughter.) I have gone through both processes, and so I know. (Renewed laughter.) I want now to refer to some of the weaknesses in both organisations. In my judgment the words uttered by Mr. Killon are of great importance, namely, that we should be careful in the step we take, and, having taken it, be careful in the selection of the men you put in office to carry out your interests; but when you have selected the men and put them, on many occasions, in difficult positions, in the name of common-sense, decency, and fair play, trust them. (Hear, hear.) The first devil we have to kill is that of indifference, and the second that of mistrust; and having done that we can and ought to be irresistible, and be able to manipulate even the Parliamentary machine to carry out the things we require. (Applause.)

§ Mr. Watkins, replying, said: At the last Congress definite instructions were given to the Central Board to appoint six representatives to meet six appointed from the Trade Unions Congress. Those six were appointed. The twelve met, and you now have before you the result of their meetings. If that particular union with which the delegate from Oldham is interested is outside the Trade Unions Congress, the responsibility rests not with the Co-operative Congress, not with this conference, but with the union concerned. (Hear, hear.) The delegate from Oldham has offered a warning to this conference. I believe that warning will be accepted by the co-operative movement as a challenge. (Hear, hear.) The co-operative movement has decided what it is going to do between itself and the trade union movement, and I think it will be so much the worse for those unions who find themselves outside. (Applause.)

The resolution was then adopted.

THE REPRESENTATION OF CO-OPERATORS IN PARLIAMENT AND ON PUBLIC BODIES.

Mr. Goodenough (Central Board): It is now my privilege to move the following resolution:—

That this conference approves of the draft scheme of organisation for securing co-operative representation in Parliament and on local municipal and administrative bodies, and urges upon our societies the necessity of putting them into operation at the earliest possible moment in preparation for any eventualities.

The instructions contained in the resolution passed at the Swansea Congress concerning direct representation were instructions to the Central Board to take such steps as may be necessary to secure direct representation in Parliament and on local governing bodies. The first of such steps as may be necessary was machinery connecting the central authority with the constituencies throughout the country. The draft copy of the proposals outlining such machinery it is my duty, on behalf of the Central Board, to place before you for approval, rejection, or amendment. In the first section, dealing with our relations with political parties, and consisting of one short paragraph, we have preferred candour to dexterity, and deemed it our duty to clearly state the conditions accepted at the Swansea Congress on this point. On referring to this paragraph, you will note the question of affiliation is stated to be beyond our present scope, but the necessity of friendly relationships with party organisations having similar aims is clearly and frankly recognised. The term "friendly relations" is an elastic expression of sentiment, and would be determined by the social outlook of the active spirits in each locality. We would suggest it would be inadvisable to place too much stress on "something definite," and to remember that in social reconstruction very often none go so far as he who does not know whither he is going. (Laughter.) The scheme is divided into two parts, central and local. Both are necessary. One is the complement of the other. The central constitutes the part around which to-day's discussion should centre, as with the central scheme established at this conference business could at once

commence, and local organisation would naturally follow. In both central and local schemes our aim has been to provide a simple and effective method of linking-up our forces to consummate the end desired. And as the "Co-operative News" of October 6th accepts the scheme as being "comprehensive without being cumbersome, and the organisation proposed as workable and simple as any scheme could be," we feel confident as to its acceptance by this conference. It is said "money is the crowbar to power." This first section of the central scheme deals with funds, probably because nutrition is the first necessity in animal life, so it is considered the first essential to any national machinery proposed to be established. Here our suggestion of £2 per thousand members (or fractional part thereof) is very modest, and, if accepted and acted upon, may produce £7,000, which will be a start; and we wish to draw your attention to this sentence in the first paragraph, "and later by such sums as may be deemed necessary." We do not propose anything definite as yet for the contributions of the two Wholesale Societies. That we thought, for the present, could be best left to their own generosity, aided, peradventure, by a stimulus from the quarterly meetings. (Laughter.) The second paragraph of the section, dealing with funds, suggests that they shall be administered on the lines of "grants in aid" to constituencies in such amounts as the situation warrants and the central organisation may determine; the amount to be determined after careful inquiry. And here let us say we discussed the question of inserting a definite amount (say not less than one-third or more than two-thirds), but eventually arrived at the decision that for the time being "as may be determined after careful inquiries would best meet the case." A prominent politician of experience suggests that under the altered conditions of future elections £200 in many cases ought not to be exceeded. It depends on the mental and moral outlook of the parties concerned—(laughter)—together with geographical conditions. The third paragraph is added in order to define the position taken up at Swansea as to the preliminary expenses of launching the scheme. Its object is to record clearly that "the necessary preliminary expenses" of launching the scheme refers only to the present, and does not mean that the preliminary expenses of organisation in any constituency to be contested between now and doomsday shall be a charge on the Union funds as distinct from the

Parliamentary fund, but that from the date of the first election contest all expenses shall be chargeable to the Parliamentary fund. I will now deal with the section referring to the constitution of the committee. This committee, as shown, is to consist for the time being of twelve members—eight from the Parliamentary Committee (four of whom shall be representatives of the Co-operative Union), two each from the English and Scottish Wholesale Societies, and two members directly elected by the Central Board, with one each from the English and Scottish Women's Guilds. This admixture works out finally to mean that six representatives will be from the Co-operative Union and six from other bodies. Paragraph 2 provides that each organisation shall bear the expenses of its own representatives—that is, as far as meetings of the committee are concerned; but if any one of the number is deputed to visit prospective constituencies on behalf of the central committee the expenses incurred, I suggest, will be chargeable to the Parliamentary fund. So far as the “constituencies” section of the scheme is concerned, you will notice that paragraph 1 deals with inquiries as to prospects of promoting Parliamentary candidatures; paragraph 2 to tabulating the results of inquiries and selection of certain constituencies for fuller investigation; paragraph 3 to preliminary inquiries of local co-operative committees where no joint council exists, and local councils of co-operative societies and other bodies where such are in existence; paragraph 4 is a further development of the same inquiry from a broader standpoint; paragraph 5 suggests the importance of understandings with organisations other than co-operative having similar aims, and that on the executive committee for any particular election representatives from other organisations shall be included.

A few words as to understandings. The Oxford Dictionary defines understanding as agreement, harmony, union of sentiments, and things agreed upon. “You scratch my back, and I'll scratch yours,” constitutes an understanding, or “you help us here and we'll help you there.” It is a question of honour and sentiment, and is representative of that broad margin of undefined obligation where law is silent, and only honour and morality have voice. These few words on this important point we felt we ought to say.

This scheme provides as broad a basis for the selection of candidates as any organisation coming within our knowledge. Para-

graph 1 suggests a list of candidates to be compiled by the Parliamentary Representation Committee, and approved by the Central Board. Paragraph 2 makes conditions as to bonafides; our rule says, "bona-fide member of a co-operative society is a member of twelve months' standing." Paragraph 3 provides that, failing agreement as to any name on the list, selections may be made from anywhere in the movement, the only condition being agreement between central and local organisations as to suitability of person suggested. Paragraph 4 provides that a representative from the central organisation must be present when any selection is made, to ensure regularity of procedure before endorsement of candidature takes place.

Part 2 of the scheme is an outline of the suggested constitution of the local councils, and provides for complete autonomy as far as their general local work is concerned; but in matters which must receive the support of the central council they would be required to observe the conditions laid down in the scheme (part 1) of national organisation. It is suggested that the local councils should be so constituted that their numbers and spheres of influence may be easily altered to admit of co-operation with the local trades councils, individual trade unions (where trades councils do not exist), friendly societies, and any other organisations with similar aims—i.e., organisations with collective ideals whose co-operation may be desired.

Such are the main parts of the scheme it has been my pleasing duty to place before you. We do not claim that it represents perfection, or that no defects are visible; we know we can finish nothing in this life, but we can make a beginning, and, subject to qualifications, bequeath a good example. We have minimised machinery as much as possible, in order to magnify chances and possibilities for human achievement. At the same time, we recognise that the most perfect machinery may be rendered ineffective by inefficient handling. Therefore, our motto has been to provide excellent machinery, and to place upon you the far greater responsibility of providing more excellent men to ensure success. We ask you to remember that nothing will ever be attempted if we wait till all possible objections are removed, and bearing this in mind suggest that, under the urgent circumstances of the times in which we are met, with a General Election imminent—an election which, in our

judgment, will be the most momentous ever held in the annals of British history, and which is fraught with consequences which are eternal in their operation—delay for any purposes of alteration or amendment in the machinery of the scheme would be fatal in the highest degree, and for all time, to the success of the proposal. As Conolly, one of the Dublin martyrs in the military massacre of 1915, said in his book, "Labour in Irish History": "The times are propitious for a union of forces marching in the same direction. We have all travelled from widely-different points through the valleys of disillusionment and disappointment, to meet at last by the unifying waters of a common suffering." I venture to suggest that the excess profits tax provides "the unifying waters of a common suffering." This scheme, and an imminent General Election under a redistribution of seats, together with the addition of six million women voters to the electorate, provides the propitious elements for a march forward.

A Word to the Timorous.

To those of our fellow-delegates who, through long years of labour and anxiety, have watched and tended the movement, through infancy to youth, and from youth to full-blown maturity, and who view the new departure with feelings of regret, we would say for consolation and encouragement, "Parents and relatives but entertain the youth; they cannot stand between him and his destiny, however much they may desire to so do." This is the one bare side of every man; there is no fence. It is clear before him to the bounds of space. This simile is as true of organisations as of individuals, and the point which we have reached as an organisation corresponds to the youth seeking new adventures. As a movement, the road of destiny is before us.

To those who are anxious on the question of cost, we would suggest a complete understanding of the economic axiom that we pay for what we need, whether we buy it or not. We refused to pay for politics, and the excess profits tax has compelled us to pay ten times more for not buying them. (Hear, hear.) Up to 1917 the total amount paid in excess profits was £327,781, exclusive of the £515,000 paid by the C.W.S. on account.

With these few special and general remarks we now launch the

scheme into the great ocean of human affairs, in the hope that those individuals who are placed in positions of power and responsibility through its operations will always use such power to widen the bounds of human freedom, that in all circumstances and conditions they will propagate the view, and create the belief, that science and peace must and will inevitably triumph over ignorance and war. And may they use the power given them to herald the time when nations shall unite not to destroy, but to build, and to provide that the greatest place in the niche of fame in the world's future will be reserved for those nations and individuals who have done most for suffering humanity. In that hope and to that high purpose, in the name of the Central Board, we now dedicate the scheme, and ask you to adopt it as set forth. (Loud applause.)

Mrs. Found (South-Western Sectional Board): In seconding this resolution I wish to observe that we have to begin to do something practical. Mr. Goodenough said the scheme was not perfect. It would be utterly impossible to submit any scheme absolutely acceptable to everybody. (Laughter.) While I am prepared to accept this scheme in its entirety, I reserve the right, as you all do, to agitate for amendment and improvement as we gain experience. (Applause.) I am sorry that at Swansea the Congress did not take a definite step and decide to work with other working-class organisations, but I am glad that the scheme at least permits local authorities to take action in that way. Some societies are much more progressive than others, and the principle of local autonomy introduced here will allow those societies to lead the way for others that are more slow. The local people not only know local circumstances best, but know the best people—men and women—to suggest for positions. (Applause and laughter.) We are not going to stop at sending men to Parliament. (Renewed laughter and applause.) With regard to the representation on the local councils, the scheme refers to appointments by the members' meetings in the societies. Some of us have been advocating appointment by the members' meetings for a long time, and we welcome the inclusion in this scheme of the clause providing for the appointment of representatives by these meetings, and we are proud to see it there. (Applause.) With regard to the constitution of the Central Committee, if we had had a small elected executive in the movement it would

have been easier to have drafted this scheme, but we have an executive of seventy members, and so we have to set up a special Central Committee, the constitution of which some of us hardly find ourselves in agreement with, but we have to use the machinery we have at hand. I am glad definite provision is made for the inclusion of the women. (Applause.) I do not say we shall stop at two women. (Laughter and "Hear, hear.") We are going to put more women on the Central Board—(hear, hear)—and then we hope the Central Board will appoint some of them as representatives on the Central Committee—(laughter)—if we don't get them on any other way. (Applause.) With reference to the inclusion of the women on the local councils, the movement has recognised at last the justice of the claim of the women that definite provision should be made on the committee for representation of the women. Women are going to have the Parliamentary vote presently. (Loud applause.) I want the men to remember that the women are in a minority at this conference, while in most societies they are in the majority. ("Hear, hear" and applause.) When they have the Parliamentary vote it will rest very largely with the women to say who shall represent the movement in Parliament. (Loud applause.) The women are quite alive to the need of defending the trade and financial interests of the movement, and some of us want to interview our members of Parliament on this very question. But the women are very keen on social reform, and we shall want our members of Parliament—be they women or men—(laughter and applause)—to agitate for other reforms besides those we have been discussing at this conference. We have been useful in framing policy and in creating public opinion. We want the money to do it with, and we hope to get it very soon. I do want to urge the importance of this matter upon the delegates. I want to urge them not to pass this resolution, and forget all about it, and leave it to a writer in the "Co-operative News" to ask what we have been doing since the last conference. One society has already acted. I want delegates to realise the importance of immediate action all over the movement. (Applause.) There is one clause in this scheme with which I wish to dissociate myself before I sit down; that is the clause which states that the expenses of representatives on

the Central Committee should be borne by the organisations they represented. The representatives would be doing the work of the movement, and the movement should pay their expenses. (Applause.)

The Chairman: We will now consider the draft scheme, which I will submit paragraph by paragraph. I want you to turn to page 7 of the agenda and take the paragraph headed "Relation to Political Parties."

Mr. E. O. Greening (rising amid applause): You are not to regard me as a stormy petrel. (Laughter.) I recognise—and I believe I speak for those who were with me in the minority—that after the great vote at Swansea it is necessary that the experiment should be made of direct representation in Parliament. (Loud applause.) I desire that it should have a fair and full trial in the confidence that if it is found to imperil the unity of the great movement or divert our energies from the great economic work of uplifting the people, that the commonsense of the movement will vary the policy in the right direction again. (Applause.) If it is found that it brings about none of the dangers that those who were with me apprehended, no one will rejoice more than I. (Loud applause.) I put above everything the great interests of the movement. I do want to make this appeal to the majority, however, and to the delegates generally. In laying down the principles which are to guide the selection of candidates you will not embody those party principles and those sectional lines of thought which may make it impossible for old-fashioned co-operators like myself to support the candidates. Be as catholic as possible in laying down your principles, and I will be content to let the experiment have a full and fair trial. (Applause.) I shall have a word to say on that when the question of principles is being considered.

Mr. W. C. Anderson, M.P. (National Labour Press), who was given a cordial reception, was the next speaker. He said: We are not going to discuss the question of Parliamentary Representation. That was settled at Swansea. I only wish to say that the co-operative movement, in my opinion, by its action and decision at Swansea, is not going to weaken, but enormously strengthen, its position, and when you have developed your political power it will not be a case of waiting four months

to get a decision from the Prime Minister. (Hear, hear.) He will be sending round to ask for your orders. (Laughter.) Mr. May, your Parliamentary secretary, will be invited to breakfast with the Prime Minister, and telephonic communication will be established between Downing-street and the "Co-operative News" office in Manchester. (Laughter and applause.) You will make mistakes. Political labour has made mistakes, and sometimes had made mistakes in not acting with more daring and more courage in matters before it. But who will deny that political labour and trade union labour is a greater power in the State because of its political action during recent years? (Hear, hear.) When we leave principles and methods, however, difficulties will certainly arise. The co-operative movement ought to be sure in its own mind that it is not being used for party purposes or personal motives. (Hear, hear.) No man and no section should be allowed to use this movement for his or its own purpose. In avoiding that you have avoided another danger; but in doing so you must not allow yourselves to be put in a position of isolation, but must play your part in an awakened and enlightened democracy. (Hear, hear.) You must not allow suspicion and self-interest to interfere with the dynamic force of democracy. If co-operation is going to play a great part it must not be isolated from democracy: there must be democracy for a common cause. (Applause.) I know the difficulties, and I say to the political enthusiasts that in order to go forward you have to bring the men and women of the movement along with you. (Hear, hear.) You must bring the whole of the co-operative movement into line. I ask you to put aside all party squabbles and bickerings, and not be concerned with the old gains and losses of the "ins" and "outs," but to proceed to build up a great party of the people, standing for the welfare of the people, the well-being and happiness of the children, who should have their proper chance of taking their places as citizens of the nation. (Hear, hear.) Let us leave party politics behind us and unite on the essential things to make the nation stronger and healthier, and to get rid of the shams and make-beliefs of the past. (Applause.) I believe the co-operative movement is going to play a great part in the building up of the future welfare of the people, and I welcome

the splendid spirit manifested at this conference. (Loud applause.)

Mr. Maxwell (received with an ovation) said: This is, I think, the happiest day of my career. Travelling with a co-operative group once across the Atlantic, one of our party was sick all the way, and I was his nurse. (Laughter.) When we got outside the harbour, I went down to him and said: "We have arrived!" and the sick man replied: "Thank God! I'm better now!" (Laughter.) Thank God we have arrived, and we all feel better. (Applause.) Twenty years ago this question was launched upon you at Perth, and you passed a resolution to have direct representation. Some of us who have been thinking the matter over for some time have been grieved that the movement fell away from that resolution. Many of my associates have stood loyally upon this point during all that time. I know where the opposition came from, and no one is more delighted than I am that Mr. Greening has put out his hand to welcome the new phase of the movement. (Applause.) The change that has come over the movement has been largely due to the circumstances of the past three years. It has been a heavy price to pay for the change, but I am glad that it has come. (Applause.) I am also sure it will remain. (Loud applause.) The prophecies thrown out during the last twenty years were that the movement would fall away, that our ranks would be rent, and that there would be disintegration in the movement. The old party feeling has gone, however—(applause)—and let it never come back. (Loud applause.) The movement has been carried on, and for fifty years to my own knowledge it has been raising the people socially and morally, and it should never have had opposition from any party in the State. Yet, during those fifty years, the party who claimed to be—or the representatives of the party who claimed to be—the representatives of the people turned their back upon the movement that has helped the people morally, materially, and educationally. The time has therefore come when we ourselves must take part in the battle. I can repeat what Mr. Anderson said: "Take care of the first step." There will be many eminent gentlemen with good intentions who think they can represent you. (Laughter and applause.) I don't want to make delegates suspicious. I

have gone through the ordeal, and so I know. (Laughter.) If the first step is not cautiously taken, there will be evil consequences. (Hear, hear.) There is a large body of opinion outside this hall not quite convinced yet; and what we have to do is to convince these people. (Applause.) I am speaking to the leaders of the movement. You have a large body of opinion to be educated yet, so that we may step out together. When the first step is taken, I know we will not go back. (Applause.) What we have been striving for for many years has been to take part in the nation's life. (Hear, hear.) From that important place over the way (the House of Commons) the voice of co-operation will reach not only those who are co-operators, but those who have taken no interest in us before. They will see the unselfishness of co-operation, and they will help us on. (Applause.) You are not the first in the world to take a step forward. (Hear, hear.) Trade unionists and co-operators on the Continent are already doing great work. After all, each movement is trying in a separate way to improve the position of the working classes. In every country of the world, as Mr. Killon told us, the proportion of wealth owned by the people is almost the same; but the workers everywhere are at the bottom, and they will remain the same so long as you take the present system as your guide. The new system will be introduced when the people speak out; those who stand behind must back them up, and you will then create the public opinion that the time has gone past when the few can rule the majority. (Loud and prolonged applause.)

Mr. Edwards (Liverpool) moved the amendment of the Liverpool Society to add the words:—

“but in no case shall the grant exceed one-half the election expenses.”

He said: The only point of difference is as to the methods in which the funds should be used. We believe the basis laid down by the Union is not equitable and will not be productive of the best results. (Hear, hear.) All constituencies should be treated on a uniform basis. That is the only fair method. (Hear, hear.) Funds are the vital part of the scheme, and their administration should be properly controlled and safeguarded. (Hear, hear.) To leave them entirely in the hands of any committee to use just as they may think fit according

to their opinion at the time would be a mistake. When a society knew that it had to provide half of the funds necessary for the carrying on of an election, it would think a good deal longer before it would apply for its constituency to be selected. A suburban constituency would need a good deal more money than a city division. You will see that a society situated in a straggling suburban division will pause before paying £250 towards fighting an election which might not have the desired results. (Hear, hear.) We believe our amendment will cover the whole of the ground in controlling the funds on an equitable basis, and in controlling societies' ambitions and producing the best possible results so far as the co-operative movement is concerned. (Hear, hear.) It is because of that that we move the amendment, which we hope, as it is a question of method, this conference will adopt.

The Liverpool amendment was then put to the vote and declared lost, and Part I. of the scheme was adopted.

Mr. Whitehead explained what had been arranged with regard to amendments sent in with reference to the constitution of the Central Parliamentary Committee. The amendment of the Midland Sectional Board was as follows:—

The Central Parliamentary Representation Committee shall be constituted as follows:—Two representatives each of the English and Scottish Co-operative Wholesale Societies, two from the Joint Parliamentary Committee, one member from each sectional board, together with one representative each from the English and Scottish Women's Guilds and the National Men's Guild.

This had been withdrawn.

Other amendments had been sent in by the National Labour Press, Failsworth and Manchester and Salford Societies, Birmingham, Portsea Island, and the Productive Federation. The representatives of these societies had met, and had agreed upon the terms of a composite resolution to take the place of all these amendments. (Applause.) This resolution would give a total of twenty-two members to the Central Parliamentary Representation Committee.

The Chairman: I ought to ask permission to withdraw the amendments previously printed. ("Agreed!")

Mr. Whiteley (Manchester and Salford, and National Labour Press) moved the new resolution agreed upon by the societies mentioned, which was as follows:

- A National Parliamentary Representation Committee shall be appointed, and shall consist of five members from the Parliamentary Committee of the Co-operative Congress (three of whom shall be representatives of the Co-operative Union Limited, and one representative each from the English and Scottish Wholesale Societies), four members directly elected by the Central Board of the Co-operative Union Limited, one representative each of the English and Scottish Women's Co-operative Guilds, one representative of the National Co-operative Men's Guild, one representative from the Co-operative Productive Federation, and nine representatives to be appointed in the first place by the National Emergency Conference, but subsequently to be elected in the same manner as the sectional boards are now elected, i.e., one from each section of the Co-operative Union (with the exception of the North-Western, which shall have two representatives), by societies contributing to the Parliamentary Representation Fund.

The Joint Parliamentary Committee shall continue to carry out its present functions as heretofore, while the National Parliamentary Representation Committee shall confine itself to the scheme of electoral work as approved by this conference.

Mr. Whiteley: There is no alteration in the words of the original proposal of the Manchester Societies till you come to the Women's Guilds. There we include the clause from the Birmingham proposal, which adds the Men's Guilds. We also want to add one from the Productive Federation. Apart from that the whole basis is on the principle of the election from societies and districts of a number of representatives, in addition to what is included in the draft scheme. The draft scheme builds an organisation entirely from the top and not from the base, from the Central Board and the Parliamentary Committee. We contend that a number of representatives from societies or districts should be embodied in whatever scheme is decided upon to-day. (Applause.) Unless you do that you are not going to get those who are to do the active work into touch with the controlling authority. Provision is made for local councils, and ample provision is made there for the representa-

tion of societies, but we say that provision must also be made for this representation on the Central Committee, so that there may be direct contact with the controlling authority. Mr. Goodenough tells you that the draft scheme is not perfect; well, we are trying to make it more nearly perfect, so that on the Central Committee you may have representation from the bottom. (Applause.) The question of the selection of a number of delegates from this conference has been one of the difficult matters we had to settle. We have, however, to consider the plea of urgency. The committee wants forming as soon as possible, and we have, therefore, come to the agreement that this conference should appoint from the conference nine persons. The position would then be that at next Whitsuntide Congress, or previous to that, you would elect these persons for each section in accordance with the constitution of the Co-operative Union. It is only to meet the urgency plea that we have agreed to ask you to select nine persons here who shall act till Whitsuntide next year. (Applause.)

Mr. Millington (Birmingham) seconded the amendment. I am speaking, he said, on behalf of the Birmingham Society and not as a member of the Co-operative Union. We feel very strongly in our district that this matter, being so important, is too big to be dealt with by a sub-committee of another committee. We think the machinery is too small, and would be ineffective for the purpose for which it is intended. It is desirous that the movement as a whole should be represented, including the Men's Guilds, the Women's Guilds, the Productive Federation, &c. The present Parliamentary Committee has already too much work to do without adding to it something of still greater importance. (Hear, hear.) There is no necessity for any clashing between the Parliamentary Committee and the new committee which it is proposed to set up. Almost entirely the Parliamentary Committee's duty has been looking after legislation connected with co-operative societies and watching the interests of the movement so far as Bills in Parliament are concerned. The whole of the work of the new committee will be of an electoral character and controlling the electoral machine. It would be necessary to have men who have had experience in this class of work. The members of the Parliamentary Committee, although well fitted for their

present duties, may not have had that experience, and may not have any liking for that particular class of work. (Hear, hear.) We want machinery simple and effective to do the work in the best interests of the movement, and to combine in it all the elements that are best in our present constitution. It can be done now. You can appoint your full committee with full power to act. My advice to this Congress is, let us start rightly, let us work rightly, and then success will attend our efforts. (Applause.)

Mr. Major (Central Board): I have listened with interest to the speeches of the mover and seconder. No point has been raised therein which is not covered in the resolution submitted by the Central Board. (Hear, hear.) It has been said the scheme has been built from the top. I submit that is an entire misrepresentation of the position. (Hear, hear.) It is built up from the bottom. (Hear, hear.) The Central Board is an organisation which is elected on a democratic basis, and the people who go to act on the Parliamentary Committee come from the societies through the machinery of the movement, so that the whole scheme of representation and election is built up from the bottom. It will be built up on the experience which had been gained on the Central Board, the district association, and in societies. (Hear, hear.) I submit when this scheme is in working order you will see that you send a man to the Central Board who can do the job. (Hear, hear.) While the movers of the amendment complain that we are building from the top, they propose to proceed after this conference on precisely the same lines. They say the representatives shall be elected from the district associations, just as I say the members of the Central Board are elected to-day. (Hear, hear.) The same machinery is in operation. It is proposed to elect nine from this meeting this afternoon. I should say that is inadvisable even if I approved of such representation. (Hear, hear.) How can you guarantee that the people nominated would be attached to societies which were even affiliated with the scheme? You might return a number of people whose societies were not taking up the scheme. Who is going to determine, on the spur of the moment, who is best for this particular work? We must get better members for the Parliamentary Committee to carry out this work if it is not able to

do it with its present administration. I appeal to you to support the recommendation of the Central Board. We suggest it as a basis upon which you can commence operations, and which can be amended if found necessary in the light of experience. (Hear, hear.) You are going to increase by a committee of twenty-two at a time when you cannot determine what funds you have at your disposal. (Hear, hear.) I urge you to vote unanimously on this resolution, as you have already done on previous ones. (Applause.)

Mr. James Johnston (North-Western Section): On the proper constitution of this committee will depend very largely the success of the scheme for the direct representation of co-operators in Parliament. (Hear, hear.) So far as local committees are concerned, this is not so important a matter, as they can be dealt with more promptly than this committee could be. I disagree with the basis of the constitution of this committee as proposed on the agenda before us. It is proposed that this committee shall consist, along with other members, of eight members of the Joint Parliamentary Committee. The Joint Parliamentary Committee was instituted for the purpose of dealing with any matters affecting co-operation, either in favour of it or adverse to it, in Bills introduced into Parliament. (Hear, hear.) Its work is to watch all matters affecting the interests of the co-operative movement. That committee has ample work to do if it carries out its duties properly and efficiently. We must leave that body with sufficient time to deal with the important matters which come within its scope. (Hear, hear.) It cannot undertake the work of controlling the co-operative community so far as election of Members of Parliament is concerned. We want more direct representation on the new committee—direct election by societies. We should elect representatives from this conference, and then representatives from societies which contribute to the funds to carry on this work. That would form a democratic basis. (Hear, hear.) Mr. Whiteley's proposal does not go far enough, and that of the Birmingham Society seems to be of a more democratic character than the one proposed by Mr. Whiteley. (Hear, hear.)

Speech by Mr. Henderson, M.P.

The Chairman then announced, amid loud cheers, that Mr.

Arthur Henderson, M.P. (secretary of the Labour Party), was on the platform, and suggested that the discussion might be suspended to hear Mr. Henderson. This was agreed to with acclamation.

Mr. Arthur Henderson, M.P. (ex-Minister of Labour, and secretary of the Labour Party), was greeted with a hearty welcome on rising to speak, and the applause was renewed when he addressed the delegates as "Fellow-co-operators." Mr. Henderson said: I need hardly say how much I am gratified with the spontaneity and unanimity of your welcome. I came here this morning to hold a watching brief, for, needless to say, we are very much interested in your work. A speaker, a moment ago, intimated that **we**—and I leave you to guess to whom I refer—(laughter)—are engaged in constitution making. There is this difference between us and you: You are beginning, and we are re-making our constitution in the light of very considerable experience. I want to wish you all possible success, and the reason why is this: If the present national and international crisis demonstrates one thing more than another, it is that the democracy of this country will have to stand closer together than it has done in the whole of its past history. You may depend upon it that the future of this country is going to rest with democracy, once democracy is united and properly organised. (Applause.) I never like to think of the co-operative movement and the trade union movement and the political side of the trade union movement—the Labour Party—as being separate forces. (Applause.) Our ideals ought to be the same if they are not. (Hear, hear.) One of the things we ought to be determined to accomplish—and to accomplish with all possible speed—is that when this war is terminated the "have-nots" are given a greater opportunity than they have ever previously enjoyed. (Loud applause.) We should take steps at once to lessen the number of sections into which democracy has been divided. (Loud applause.) We ought to think of the great democracy as the common people of this nation, who are seeking to promote the highest possible standard not for a few, but for the whole and every class and for the nation, and we ought to try to think of the nation in terms of democracy. (Applause.) We ought to lessen the number of sections, because I am convinced of this:

that if we had been united as democracy should have been, and had been working in common cause as we should have been for the democracy of the world, this great conflict would have been avoided. (Loud and prolonged applause.) Which section of the community—if we have to speak of sections—and which class—if we have to speak of classes—is paying the heaviest toll, whether in the giving of their sons, as many of us have been called upon to do, or whether in the impoverishment of the world by the sacrifice of material and finance? Which class or which section? Surely that class or section which is entitled to be termed the democracy. (Loud applause.) When I speak of lessening the classes I do not mean that I am here asking that the co-operative movement should at once affiliate with the Labour Party. I am treating the matter from a higher standpoint. (Applause.) I would be prepared to advise that the Labour Party as known should cease to exist if by so doing we could combine the whole of the democracy. (Loud applause.) I would not insult the co-operative movement as a whole by suggesting that it should affiliate even with the party whose secretary I have the honour to be. You are too great to be insulted. What we want is to have you properly organised; and, until experience provides us with a better means, to have you working with us for the same common cause. (Applause.) Under the terms of your proposed scheme it permits friendly relations between us. (Hear, hear.) Why should there be any other than the most friendly relations between you and us? (Applause.) I was present when the transactions were reported that are going to secure closer working between your Parliamentary Committee and the Trade Unions Congress. We of the Labour Party have begun to work with the co-operative movement. (Applause.) Think of the possibilities when these parties come together in friendly co-operation for the accomplishment of great social, economic, political, national, and international ideals we all adhere to. (Applause.) It behoves me to set a good example. I was delighted with that speech from Mr. Greening. (Applause.) I do not think you quite appreciated it as you might have done. It was a magnificent indication—(applause)—and I have taken from that and other indications I have seen this morning the consolation that the democratic forces are at last learning their

lesson. Once we have learned that lesson sufficiently, and once we get this war out of the way—(applause)—by a victory in keeping with our ideals—(loud applause)—secured by military, diplomatic, or political means—and the issue is so vast that we cannot afford to ignore one of the three if we can terminate the war a day earlier—(loud applause)—with democracy united, Mr. Greening and the rest of us are going to walk step by step in a solid phalanx to advance the cause of democracy. (Loud and prolonged applause.)

The Chairman: It came to my mind very vividly last night when, at the House of Commons, I was admiring those beautiful pictures, that there was one picture that yet remained to be added: The picture of "Arthur Henderson Without the Door." (Loud laughter.) We are delighted to have him here this morning, and the thanks of the conference are due to him. (Applause.) We wish to say: God bless his efforts. (Loud applause.)

The conference then adjourned for lunch.

AFTERNOON SITTING.

When the delegates had reassembled in the afternoon for the final sitting,

Mr. Bruff (Birmingham District Association) continued the discussion on the draft scheme for Parliamentary representation. He said: I was quite under the impression when the announcement was made from the chair with regard to the Birmingham amendment and the other amendments that the whole thing had been accepted by the Central Board, but the speech from the member of the board at once disposes of that idea. Some of us have had a life-long political—not party political—experience, and we think, had we been invited, we could have made suggestions to the board which would have been useful. The board must also remember this: that what has been good enough for business performances for some years is getting rather stale, and that what is good for the ordinary economic position of the co-operative movement will not be good enough for politics. Whatever your constituency is, there must be refreshing breezes from the constituents to any body governing you. How are you going to do that by what is proposed by the Central Board? It is not only bureaucratic, but it is likely to become autocratic. Of course, we know full well that it has been stated that if we do not like the constitution we shall be able to alter it in the future, but we want to start right now, and if we cannot start right now how can we expect to keep right in the future? We want the whole of the co-operative societies in this scheme, and we shall not get them unless we can remove every vestige of suspicion surrounding it. That is why Birmingham has proposed its amendment.

Miss Ll. Davies (Edmonton): I feel the moving of this amendment places keen democrats like myself in a very difficult

position. I have the warmest sympathy with the words of Mr. Gallacher, and should personally very much prefer to vote for the amendment, because it contains the possibility of fair direct representation, but it is also encumbered with, in my opinion, unworkable propositions; and so far as I can see the best plan would be to consider whatever is best in the resolution as of a temporary character, and that the matter should come before Congress when we next meet. The whole thing is so difficult to get on right lines; and I make this suggestion impressing upon our officials that it should be of a temporary character. Both in the resolution and the amendment the whole position of women in this scheme has not been fully thought out. The movement is going in for politics, and the women of the country are going to have the franchise; and I don't think the close connection between these two events has been half realised by members of co-operative societies. The Franchise Bill will take in the best women—the married co-operative women—and if we are to capture these women for our new political organisation it is absolutely essential that we should give every consideration to methods of doing so. In many societies women exceed the men in numbers, and it is most necessary that we should have from the first a more equal partnership than there has been before between men and women in the co-operative movement. I should like to suggest that there should be a larger representation on this executive, and also particularly on the local councils; and there ought to be provision whereby a certain number of those elected shall be women; otherwise we shall be defeating what we want most to secure, and that is the success of our co-operative representation. We highly appreciate the fact that the Guild had been recognised, but all the same we feel that the Guild ought to have been more largely recognised, that it ought to have been given a larger share in the work. "Co-opoliticus," in the "Co-operative News," asks us as women to hurry. We have been hurrying all the time, and, as a matter of fact, we are "there." We have nearly 30,000 women trained in all the things to be found in this programme, from the abolition of entrance fees to foreign policy. (Laughter.) We have arrived, and what we want is to do a more equal share of the work. There is nothing a Government cannot do, but I do

say if the men and women of the co-operative movement are united, and united with the men and women of the Labour movement, there is nothing the workers cannot do.

Mr. W. Gallacher (director of the S.C.W.S.): In laying down the bones of your new scheme for representation, it is well we should not only be careful of the bones, but also of the flesh that clothes them. It is inevitable that amendments should arise to a scheme of this kind, and while we should have amendments, they must be keenly criticised. It is said any fool can criticise. I venture to suggest that criticism is a more difficult task, and that sane, helpful criticism is the scarcest thing we have in this country, and we stand very badly in need of it. I ask you to stand by the resolution of the Central Board, and to oppose the composite resolution and not to pass it. The composite resolution makes provision for a committee of twenty-two. I venture to ask you whether you do not consider that number a trifle too large. The Central Board's scheme is for twelve only. Mr. Millington said that this work was too important for a sub-committee. I should like to ask would it not require a sub-committee out of the twenty-two to do the work effectively? This work cannot be done by mass meetings, and a committee of twenty-two is considerably too large. We have had an attack on the Central Board because the scheme is not of a democratic character. That, ladies and gentlemen, is an attack upon yourselves, because you have put the members of the board in the position they occupy to carry on the work of the co-operative movement. I do deny that it is necessary to set up a new committee as is proposed here. The principle of election from the body of the hall is, in my opinion, not a wise one. (Hear, hear.) I venture to say that it is not a bad idea that outside people should be brought in who may not be in any official position, but let them be properly elected after careful selection, and not by catch vote of the Congress, which may be carried away by the eloquence of particular delegates. The second part of the composite resolution says that the Joint Parliamentary Committee shall continue their present operations, and leave to this new committee the question of direct representation. That is dividing two things which are inter-dependent and inter-locked, and not to be separated at all. It is like people doing a piece of

work stopping at a certain point instead of going on to the full development of their task. I venture to say that the composite resolution is not acceptable on two grounds; first, on account of the size of the committee, and in the second place because, if adopted and put into operation, it will divorce the Joint Parliamentary Committee from their proper work. Miss Davies' appeal on behalf of the women will not be lost sight of when the proper time comes. Something has been said—I think by Miss Davies—that this particular portion of the scheme should be of a temporary character only. As a matter of fact, the resolution of the Central Board says “for the time being.” Not merely is it of a temporary character, but that it is of an experimental nature. I want to say you cannot possibly, without experience, say whether a thing is going to be a success or not. I think you ought to leave the scheme as it stands; take the broad general lines as laid down by the Central Board, give the scheme a trial, and in the light of experience, if you care to amend it, then let it be amended. It would not be wise to be divided on a scheme like this. Amend the weaknesses as they show themselves, but in the meantime the best thing is to pass the scheme as it stands.

Cries of “Vote,” “Vote.”

A Delegate: Will the Central Board be prepared to discuss this again next Congress?

The Chairman: I think they have given an undertaking that there will be a full review of the scheme at the next Congress if you accept the proposals to-day.

Mr. N. E. Smith (Edmonton): I support the amendment. I do so very largely because of the very eloquent appeals made this morning. I do not want to confuse ideals, principles, and policy with methods such as are indicated in the proposals before us; there is quite a difference between the two. I support the amendment because of the principle of direct representation included in it, and I very strongly press upon the delegates to support it also for that reason. You will recollect that in the early stages of our proceedings a good deal was said about the Parliamentary Committee. I am confident that had there been direct representation from retail societies, as suggested, on the committee, there would not have been those strictures, many of which are, I am sure, undeserved. If the

resolution is adopted, I am afraid the Central Board will not have the confidence, wisdom, and ability which they might otherwise have. In the best interests of the movement, I think the committee who are to take this matter in hand should be representative of all classes, including women, and that is why I ask you to support the amendment.

Mr. Goodenough's Reply.

Mr. Goodenough, replying to the discussion, said: If you refer to the opening clauses of my remarks, you will find it stated that the scheme was "for the time being." Bishop Butler, the author of a book called "The Analogy of Religion," used to pray to be delivered from a disease known as the "orfendiculum of scrupulousness." (Laughter.) It seems to me that gentlemen who, like Mr. Millington, suggest that this committee will not be elected from the movement, but only selected, must be suffering from the same complaint. (Renewed laughter.) Mr. Whiteley suggests that we are building from the top. So far as I am concerned, I shall, on Monday next, be six hundred yards lower down in the social scale than most of you. (Mr. Goodenough is a miner.) Another speaker said something about "refreshing breezes," and stated that the Central Board was likely to become autocratic in carrying out the scheme. So far as the "refreshing breezes" are concerned, I submit when you get your local organisations at work, and a member of the Central Committee comes down and tries to point out that you are going in the wrong direction, he will get some "refreshing breezes." (Laughter.)

The Chairman: I am going to take for and against the amendment. Those in favour of the amendment kindly say "Aye." The amendment is lost. Those in favour of the resolution. Very few against. The resolution is carried.

The Chairman: I should like to point out to Miss Davies and the other good ladies present that the needs of different districts will vary, and to suggest that as a preliminary the constitution of the councils be as we have agreed to. If it be found desirable that a larger representation should be given to branches or groups of branches of the Women's Guild, there

is no reason in the scheme why it should not be so. We have also adopted the Birmingham paragraph regarding variations of the constitution of local councils, which may be allowed subject to the approval of the Central Parliamentary Representation Committee. I have no doubt all the ladies will have all their needs met. All in favour of local councils. Agreed.

The paragraph regarding methods of work was also agreed to.

The Chairman: All in favour of the scheme as now amended say "Aye."

"Ayes" came from all parts of the hall, followed by loud applause.

CONSTITUENCIES.

The clause relating to "Constituencies" was met by an amendment from the National Labour Press, which read:

Delete the first paragraph and substitute the following:--
 "Full inquiries shall be made by the National Parliamentary Committee as to the prospects of successfully promoting candidatures."

Mr. Whiteley, submitting the amendment, said that the position was that the supporters of the amendment wanted that instead of the Union being asked to do this work and passing it on to the Parliamentary Committee, the National Committee itself should make the inquiries as one committee.

Mr. J. Fitzgerald (Failsworth) seconded the amendment. He said: I am an old believer in the former existing order of things; but I am not ashamed to say that I am also a convert to the new—the present—state of things which has been forced upon us. (Applause.) This amendment asks us to be doubly careful. I would not be one to experiment. It is not mere demagogues we want but men who have shown by their lives that they are hearty supporters of the principles of co-operation. The danger is that if we are not mighty careful the position we demand to-day may be obliterated by the party politician. I agree that the co-operative movement should take its place in the political organisations of this country; but I place first and foremost the economic position without regard to creed or politics, and creed and politics have

been the curse of the country so far as economic progress is concerned. (Applause.)

There was a clamour for the question to be put to the vote, and the amendment was rejected.

On paragraph 3 of the clause relating to "Constituencies," the National Labour Press also submitted an amendment to provide that "after the word 'member' on the second line" there should be inserted "or an official of the committee."

This was accepted by the Parliamentary Committee and the whole of the five paragraphs of that clause, with that amendment, were approved, and the delegates passed to the consideration of the clause dealing with the "Selection of Candidates."

On the first paragraph being submitted,

Mr. Whiteley, on behalf of the National Labour Press, moved that the paragraph should be deleted, and the following substituted:

In each constituency to be contested the local organisation shall be at liberty to make its own choice of candidates for the list to be compiled by the National Parliamentary Representation Committee, and the local council shall include the qualifications of each person whose name is suggested for the list. A list of candidates shall be prepared by the National Parliamentary Representation Committee from the names that are sent in by local councils.

Mr. Whiteley: This amendment makes provision for the local organisations sending in the names of candidates together with the qualifications of the persons suggested as candidates. After these names are sent in, a list should be prepared for the representation committee. My point is that the list should be made up of names sent in by the local organisations. If there is any man on the platform who is qualified to become a candidate, his own district would have no difficulty about sending in his name. (Applause.) All the other amendments to this clause have been withdrawn in favour of that which I am now moving.

A Delegate from Failsworth (whose society had sent in another amendment) seconded Mr. Whiteley's amendment, and endorsed what he had said about the withdrawal of the other amendments.

The Chairman: We will now put the amendment to the meeting—

Mr. F. Jennings (Pendleton): This is a vital point, and we ought to have this vote taken by card. (Applause.)

This course was decided upon, and there voted for the amendment, 1,183; against, 711.

The Chairman: I have to declare the amendment carried. (Loud applause.)

The other paragraphs of this clause were adopted without discussion, the committee accepting the amendment of the National Labour Press with reference to the fourth paragraph which deleted the words "some member, or members" on the second line, and inserted the words "some official or member." This brought the paragraph into conformity with the amended third paragraph of the clause headed "constituencies."

In the first paragraph of the section of the scheme relating to Local Councils, the committee suggested that after the word "constituency" on the third line, there should be added "or group of constituencies." ("Agreed!")

The committee also suggested that in the "Objects," after "municipal bodies," on the third line there should be added "the magisterial bench." ("Agreed!")

The Conference proceeded to discuss the "Constitution of Local Councils" as provided for in the draft scheme.

Birmingham Industrial Society had given notice to move the addition of this paragraph:—

Variations of this constitution may be allowed subject to the approval of the Central Parliamentary Representation Committee.

Mr. Whitehead intimated that this addition had been accepted by the committee. (Applause.)

REPRESENTATION OF THE WOMEN'S GUILD.

Mrs. Barton (Brightside and Carbrook): One point I wish to question is the fourth under clause (b), viz.: "One representative of each local branch, or group of branches, of the Women's Co-operative Guild." We have heard several times that the women

have not been receiving their proper rate of representation. We are not receiving fair representation here. (Applause.) We had a resolution yesterday, which you passed, in which you asked that the franchise should be extended to women locally for the municipal bodies. You have at present power to elect women to the municipal councils; and in all your municipal work there is great need for women. (Applause.) Your societies represent more women than men. Is it fair that where there are more branches of the guild than one there should be only one woman representative on the local councils? Women have been doing the dirty work of electioneering for years. (Laughter, applause, and a voice: "Shame!") We have been told that woman's place is the home. People who said that meant that woman's place was in the kitchen—cleaning up. (Laughter.) We have done the cleaning-up at your elections. (Laughter and applause.) We have done your canvassing and other work. (Applause.) A speaker told you this morning that you wanted excellent men. We have plenty of excellent women. (Applause.) We want to be comrades in this business. (Loud applause.) All the candidates will depend upon the work of women for their election. One speaker of this morning—our member at Sheffield, Mr. W. C. Anderson—would substantiate my claim that the women are useful and excellent electioneers. (Applause.) Many who have been elected had to depend upon women for their seats. I want to ask you to lead the way in giving women the representation they deserve on these councils. We ask you to be fair. The people you are complaining about on the Tribunals think they can represent you. You think they cannot. (Hear, hear.) You think you can represent women; but you cannot, and we ask you to give us our fair representation. (Laughter and loud applause.)

RESOLUTION OF POLICY.

The General Secretary said the amendments from Birmingham and Liverpool have been withdrawn, subject to your approval, and the two have been merged into one resolution of policy, which will appear later on the additional amendments programme. The Scottish societies had also sent in an amendment to the resolution dealing with the consti-

tution of the Central Parliamentary Representation Committee; they wanted a separate committee for Scotland; but they have decided to withdraw it. I understand Mr. Biggar desires to say something about this.

Mr. Biggar: We had a meeting of our Scottish delegates this morning to consider the amendment of which notice was given yesterday, and while we withdraw the amendment I want you to understand that we do not depart from our demand of local autonomy. We have withdrawn our amendment for two reasons. In the first place, we do not want to do anything or say anything which will weaken the unity of this meeting. Our second reason is that we feel that in view of the small number of delegates from Scotland present we are not sufficiently representative of Scotland's opinion. We are proposing to bring our proposal before the Scottish National Conference, in April next, and if we carry it there, as we believe we shall, then we hope you will accept it when it comes before you again.

The withdrawal of the amendments was sanctioned.

Mr. Deans (Central Board and secretary of the Scottish Section): The moving of the resolution of policy has been assigned to me. It is a duty which I discharge with pleasure and satisfaction, and I hope the resolution will receive a very cordial and unanimous response at your hands. The preamble to the resolution expresses a desire to mark the entrance of the co-operative movement into the political arena with a definite expression of its general policy of industrial, social, and economic reform. That sentiment I entirely endorse, and I venture to say that if you pass this resolution with enthusiasm and unanimity, as you will, you will arrive at that object. The resolution is based on entirely democratic lines, and is of far-reaching importance, but I am of opinion that none of the items in it comes into direct conflict with the principles and ideals and objects of the co-operative movement. I have been wondering occasionally in recent times, what our great and powerful organisation could and should do after the war is over in reconstructing the social system of the country; but I venture to suggest that if you pass this resolution with unanimity, you will give an adequate answer to that question. The preamble to the policy is as follows:—

That this National Conference of Co-operators of the United Kingdom desires to mark the entrance of the co-operative movement into the political arena with a definite expression of its general policy of industrial, social, and economic reform.

The points of the policy, which you are asked to give your adherence to, are numerous, and only brief comment is possible upon them.

1. To safeguard effectually the interests of voluntary co-operation, and to resist any legislative or administrative inequality which would hamper its progress.

This is occasioned by the treatment which the movement has received in recent times, and I think that treatment justifies its inclusion. I do not think there is any co-operator who has any respect for the honour and dignity of our great movement could do otherwise than look upon that treatment with resentment and even resistance.

2. That eventually the processes of production, distribution, and exchange (including the land) shall be organised on co-operative lines in the interests of the whole community.

My understanding of that point is that eventually voluntary co-operation will attain this object, and that we shall, the ideas and ideals of co-operation having been consecrated, at last approach if not reach the great co-operative commonwealth, when these matters will be organised on lines of interest to the whole community.

3. That the profiteering of private speculators and the trading community generally shall be eliminated by legislative or administrative action.

My impression is that this does not apply to a fair and reasonable profit, but only to the extraordinary and extortionate profits put on commodities by certain people during the recent war period. These speculators, taking advantage of the circumstances of the times, have simply raised prices out of all proportion to reason and fairness, and I don't think anyone would object to these being eliminated by legislative or administrative action.

4. The scientific development of agriculture, and the provision of light railways for transport of produce, together with adequate housing and wages for the agricultural labourer.

The development of light railways and the provision of better homes for the agricultural labourers will, in my opinion, go a long way towards promoting the success of agriculture.

5. The abolition of all taxes upon foodstuffs, to be replaced by the taxation of land values and the further increase of income tax and death duties upon large incomes and estates.

I think this should meet with the approval of every co-operator. We desire the removal of taxes on food, and the placing of them in other and proper quarters. The cost of food should be reduced to the community, and revenue found elsewhere.

6. That, in order to facilitate the development of trade, commerce, and manufacture after the war, the Government shall establish a national credit bank to assist local authorities, co-operative societies, and others to finance their new undertakings as required.

This, I think, should commend itself to co-operators in all parts of the movement. The present system of banking is not at all adapted to meet the requirements of trade and commerce upon democratic principles, and I think Government credit banks would, as suggested here, enable us to develop our productive efforts and promote the progress of the co-operative movement. (Hear, hear.)

7. That adequate housing of the people, financed by the National Exchequer, shall be compulsorily provided on lines which will secure healthy, decent, and suitable accommodation for the whole community.

There can be no denying the fact that the housing problem is one of the most acute we have facing us to-day. The housing conditions of hundreds of thousands of our people are intolerable to a civilised community, and they should immediately be put on a better basis. I consider that the condition of a vast number of houses is a deliberate and gross insult to the people who occupy them.

8. That the present education system should be re-cast on national lines which will afford equal opportunity of the highest education to all, unhampered by the caste system now prevailing, which arbitrarily and unjustly limits the resources of the State in utilising the best capacities of the nation.

The education system now obtaining in our country demands revision, and should make for the fullest development of our physical, intellectual, moral, and social faculties. An education system which did that would, in my opinion, enable every individual to make the most of his natural capacities and would put an end to the class distinctions which permeate our social system to-day.

9. The effective Parliamentary control of foreign policy and national services by committees composed of representatives of all parties in the House of Commons.

Nobody, I think, considers, after the events of the last three years, that the people of this country will not take greater interest and demand greater share in the moulding of foreign policy in the future than they have done in the past. I look upon that as an imperative and absolute necessity.

10. The gradual demobilisation of the soldiers and sailors from our Army and Navy to correspond with the needs of industry, in order to avoid unemployment.

I think this is a very good point in our programme, and it should be put into operation in order to save the working classes of the country from unemployment.

11. The breaking down of the caste and class systems, and the democratising of State services—civil, commercial, and diplomatic.

I commend that to your unanimous vote. It may be that some of those present think there is less in this programme than they desire, and others may think there is more in it than they want; but in the interests of the movement, I ask you to sink these little differences, and concentrate on the programme as submitted. I have no doubt if this resolution is adopted it will materially advance the standards of the movement along the paths of progress. (Applause.)

Mr. Edwards (Liverpool): I second this resolution of policy. We shall never forget that we have been driven to take the decision we have taken as a result of the conditions arising out of a war that shall never again occur in the history of our country or other countries. (Applause.) It is the duty of every co-operator to-

day to sweep away the wrongs of things as they were, and to lay the foundation of a larger and more effective movement than we have had in the past. If we make no mistake now we shall build such an edifice that the whole of our nation will be benefited by it, and the whole tone of the working classes will be raised. (Applause.) I would like to refer to the clause regarding Housing. We know where the need of good housing and good surroundings lies. If we face this it will be the first thing to make the working classes think and take upon themselves a more intelligent conception of the duties of citizenship.

The poet has said:

Is it well that while we range with science, glorying in the
time,
City children soak and blacken soul and sense in city slime?
There, among the glooming alleys, progress halts on
palsied feet;
Crime and hunger cast our maidens by the thousand on
the street.
There the master scrimps the haggard sempstress of her
daily bread;
There the single sordid attic holds the living and the dead.

We must answer that with our housing policy, a new and a better condition of things will arise in the place of the present state of things. (Applause.) The movement has been twitted with the fact that it does not touch the submerged tenth. There is no condition of life so low that it cannot be made better by our movement. (Applause.)

Mr. Pugh (Ton): I want to tell you that I come from Wales. I have followed the co-operative movement for some years. We want to tackle this policy and not talk about it. We have had enough of theorising about land and production and exchange; and I want to come to the reality of it. In this resolution you have included "The Land." (Hear, hear.) I have been taught that the land is the source of wealth. From the land you get all, if you put labour into it. How much wealth comes from the minerals in the land? You talk about taxing the people if they die—(laughter)—and about taxing land and landlords. We ought to tax the land; but first of all we ought to tax landlords. We have

to draw our money from where it is. The money is in the wrong hands at present; that is what is the matter. (Applause.)

There were cries for the vote to be taken, and the speaker resumed his seat.

The Chairman pointed out that the Conference had reached that stage of the proceedings earlier than was expected, and they should continue. (Hear, hear.)

Mr. N. McLean (Scottish Sectional Board): This that we are discussing is a resolution of Policy of a new co-operative political party. (Applause.) It practically summarises the attitude taken up by the other working-class parties in the State, and sooner or later a policy has to be arrived at before we get to the House of Commons. We ought to adopt this policy without discussing it any longer. That policy is sufficiently wide. It is sufficiently wide and it allows for particular questions relating to particular districts. In Scotland, I expect, we would be glad to add to this policy the question of Scottish Home Rule. We could not do that here because you are not all interested in Scottish Home Rule. (Laughter.) With regard to the other points in the resolution, they are points that we have been advocating for many years. We have to break down the present traditions regarding Foreign Policy. (Loud applause.) Mr. Henderson told us this morning that if the democracies of the world had been united there would have been no war. (Hear, hear.) I should add to that and say: If the foreign offices of the different countries had been democratised, there would have been no war. (Loud applause.) Lord Hugh Cecil said in the House of Commons that the working men of the country were mentally unfit to take charge of foreign affairs. If we, as workers, are unfit, the three years of European war shows us where the foreign affairs of the country arrive after being controlled by men like him, representing the University of Oxford. (Applause.) Has it not been because of secret diplomacy that we have been forced to take up political action to demand fair play in the House of Commons? From our newspapers there were demands for reprisals when aircraft killed forty children at school. But your housing conditions are responsible for the slaughter every year of 100,000 children under twelve years of age. Think of it! Three hundred children every week in twelve months are slaughtered; and it is upon our shoulders, not upon German

shoulders, lies the responsibility for that. You ask for reprisals? I ask for reprisals. I want the system that is continuing the slaughter of these children wiped out. I want control of housing so that these children may be given a chance. I want the workers to show that they can run the country as well as they can run their co-operative Wholesale Societies and their distributive societies.

Mr. Lumley (Oldham), speaking on Housing, said: We have a garden suburb at Oldham. I want to see one started in every colliery town. It is worth it to see the children enjoying themselves in the clean streets and the healthy town. We have succeeded in Oldham, and we have converted the Mayor there who now wants to get more suburbs. This is a phase of housing that is worthy of our consideration.

After some delegates had called for a vote, Mr. Lumley referred to demobilisation, and the Chairman called upon Mr. Aneurin Williams, M.P. (International Co-operative Alliance), who had a kindly greeting.

Mr. Williams (representing Garden City Press): During the twenty-five years I have worked with the co-operative movement, I have been consistently against the entrance of the movement into politics. I have always believed that the co-operative movement should confine itself to its own particular work, and that it would achieve its greatest results that way. We have been driven into political action, however—(hear, hear)—but do not let us shut our eyes to the fact that even if we have been driven to it it is by no means without its dangers. In other countries political issues divide the co-operators most deeply and bitterly. Turning to Belgium, as it was before the war, you would find on the one hand the Socialist Co-operative Movement and, on the other, the Roman Catholic Co-operative Movement. The delegates from these two movements could hardly bear one another in the same room. That shows the danger before us. ("We shall get over that.") I am sure we will get over that; because we will use British loyalty. I was glad to see that the scheme put forward before us does not propose alliance with any political party. If it had, even if it had meant my own political party, I would have been dead against it. Carrying out the scheme loyally, we shall avoid some of the dangers of political action. I wish to put before you two or three criticisms

of the resolution of policy. In adopting this resolution we are laying down principles which will more or less tie us and guide us in the future. With regard to No. 2. I am extremely glad that the Board have agreed to modify it in the way they have. Turning to No. 3. I listened to Mr. Deans; and Mr. Deans explained that he meant by "profiteering" the excessive exactions of profit. There has been too much of that—people taking advantage of circumstances to make excessive profits. We should condemn that, and rightly so. But that clause goes on to speak of "the trading community generally." Profiteering? I hope not! We are not going to say: "No trade profit is honourable," because the time when that will be abolished is so far distant that we cannot foresee the consequences, and it would be dangerous to lay down a principle with regard to so distant a time. There is an enormous deal in this programme—

The Chairman's bell rang, and a delegate proposed that Mr. Williams, the first real critic of the programme, should be given an extension. This was agreed to.

Mr. Williams (resuming): With regard to the National Credit Bank (in No. 6) "to assist local authorities, co-operative societies and others." Local authorities already derive money from the State for everything the law makes it legal to carry out. However the purposes they can carry out are extended, the State will continue to provide them with money for these new purposes. Whether we call it a bank or not does not make much difference. Do we want a State Bank to help co-operation in this country? Are we short of capital? ("No!" and "Yes!") By our voluntary effort we can raise all the capital we want. If we ask the State to find us capital for our enterprises we shall have a great amount of State interference and red tape which we will resent, and it will injure us. (Applause.) No. 9 refers to the Parliamentary Control of Foreign Policy. This will require a great deal of thought. They have a somewhat similar system in the United States and France; and some say it does not work well there. The present irresponsible conduct of foreign affairs, however, is a thing which democracy cannot endure. (Applause.) I hope we shall not regard these words as tying us down too closely with reference to the solution of this problem. Much as we may do for housing and education and other great causes under the State, my belief in the

voluntary co-operative movement is so great that I am satisfied that nothing we can do will be of half the consequence of the good work we can do through our societies—the Wholesales and the Productive Federation—for voluntary co-operative ideas. Co-operators have built themselves up from the little store in Toad-lane by voluntary effort, and there is no height to which they cannot attain by voluntary action. I earnestly trust that it will not be one resolution that will divert us from the great work before us as voluntary co-operators; but that we shall go on as voluntary co-operators and achieve results which will be much greater than those of to-day, as those of to-day are greater than those of the Toad-lane store. (Applause.)

There were again cries of "Vote!"

The Chairman: I still have three names. Is it your pleasure that we should hear them? ("Agreed!")

Mrs. Barton (Brightside and Carbrook): I wish to congratulate those who drew up this policy. (Applause.) Those of us who had some misgivings are, I think, satisfied with it, and are prepared to work for it for all we are worth. (Applause.) I wish to refer to clause No. 3. "That the profiteering of private speculators and the trading community generally shall be eliminated by legislative or administrative action." We were told that this is a trade war. All wars are trade wars. (Loud applause.) Trade—like science, and art, and literature—is international. If we are going to eliminate profiteering we have to trade internationally as well as nationally. (Hear, hear.) I am, perhaps, going to touch upon a thorny point, but it is as well that we should be agreed upon it. We want a closer union between the trade union movement and the co-operative movement. Well! What did the Trade Unions Congress do at Blackpool? It saw the danger of a trade war ahead, and it pledged itself to Free Trade. (Loud applause.) I would have liked to have seen that somewhere in this resolution. (Applause.) That is a thorny question. We will have a breaking away from the old associations, but we have to do the right thing, and I should like to see it stated that this important Congress is in favour of Free Trade. (Applause.) Tariffs mean that the men and women of the working classes have to pay. (Applause.) What do we mean by eliminating the profiteer? It means working internationally as well as nationally. (Hear, hear.) Do you not decide much

about foreign policy when you decide how trade is to be carried on? (Applause.) I hope that the co-operators of the country will stand out in favour of Free Trade. (Loud applause.)

Mr. Gould (Radstock): I want to call attention to the great difference between passing resolutions and putting them into operation. You know how easy it is to pass resolutions under the spell of eloquence. You give lip service to the principles embodied in these resolutions, but I want the movement to make a start from this great epoch-making Conference. There can be no retracting. (Hear, hear.) Many of you have confessed that you are converted to the new ideals. You are linked up with various old traditions and old associations. What does this Conference mean to the pioneers of the new tradition? You see the doors open, and see antagonism before you and the trade union world at your side, and the political Labour Party at your side. (Applause.) We are glad to have had such leaders as have come to us in the past two days. We are glad to have heard their optimism and their declarations of faith in the future of the common people. The common people are going to wrench from the others the commercial powers and the educational powers they hold. It is all very well to talk about deleting things from our programme: Our programme is not big enough yet—(loud applause)—not big enough to improve the situation the war has thrown upon the workers of Great Britain. I want to see it possible for the greatest extremist to come in. I want us to have a goal big enough. There need be no difficulty about the working together of the Catholic, the Socialist, and the Fabian, if their common purpose is the redemption of the common people from the thralldom that we know. (Applause.) We are going back now to our societies, and those societies are expecting a lead. Are we going to give that lead? We have heard Henderson, and Anderson, and others. We will be expected to give a lead to those societies that are a conglomeration of the past and the future—the future that is to be dominated by the great democracy itself. We will be expected to give to those societies a lead. Let us do so. Don't mince matters! Be honest to democracy and let the little past be eclipsed by the greater future; and we will march side by side to the great commonwealth of the common people. (Loud applause.)

Mr. Thomas, M.P.: We have just listened to an eloquent and

sincere speech, but I do not know whether there are any Fabians or socialists here. If there are I should like to hear if the Fabians have experienced any difficulty in working side by side with the socialists. At all events, I am not speaking as a member of the Labour Party or as a trade union leader; I am speaking as a delegate and co-operator—(hear, hear)—because, just as Mr. Williams has said, a very great mistake would be made if you allied this movement to his party, if there is any such danger. (Laughter. I recognise that none of us here ought to be merely advocating a policy because it is in the interests of some other party with which we are connected. We support the proposal on absolutely different grounds. I am going to submit that your committee ought to be congratulated upon every item in this programme. If there be one criticism it would be one of omission, because this movement can never be a local movement, it can never be a national movement; it must be a great international brotherhood. (Hear, hear.) And if it is an international brotherhood one of the items in our programme, above all else, ought to be—and there must be—a league of nations to stop the horrible business that is happening to-day. (Applause.) Let me take two or three points in this programme which appear to be danger spots to Mr. Williams. I gathered that Mr. Williams was not altogether favourable to clause three in the programme, “that the profiteering of private speculators and the trading community generally shall be eliminated by legislative or administrative action.” I should like to know if there is any co-operator in this Conference, who is worthy of the name co-operator, and who understands the principles of co-operation, who dares to suggest that this is not the very object for which we exist to-day; and to talk of the danger of the private trader is to suggest to me at least that the co-operative movement is going back. Let me take the next point, that foreign policy is something new to the common people. Why? Because it has been made the preserve of the aristocrats; because they have so mixed their system that no one can be trained in the diplomatic service to-day unless he has a private income; and this is the result of all your diplomacies! We may make many mistakes in Foreign policy, but we can never make bigger mistakes than these. Let us keep the movement clean; let us be guided by high moral impulses; let us recognise that whilst a child hungers, there is

work to be done, that whilst slums remain in existence there is something to be going on with, and that where children have no opportunities for advancement we must give them those opportunities, whether it be through local action or through Parliament' and let us unite in recognising that our one object is the co-operative commonwealth the world over. (Applause.)

A Delegate, whose name was not given, and whose remarks were only imperfectly heard at the press table, was understood to ask: What do the committee propose to do if the candidates they select do not meet with the approval of the societies in any given district?

The Chairman: After this resolution is passed you will discover that the Central Board having taken the trouble to organise this Conference and carry the proceedings over two days will take every means at its disposal to carry this policy forward to its utmost issue. Societies will be fully informed as to procedure. May I take this opportunity of saying that one way in which you can help forward this resolution of policy and the other resolutions that have been passed, is that when you get home, you get copies of this week's issue of the "Co-operative News" (English and Scottish); and I sincerely hope we shall have a full report of our proceedings, or a report as full as possible. Take both papers, and then what you miss in the "Co-operative News" you will have in the "Scottish Co-operator." That will help you considerably. Get the papers circulating amongst your members, and let us begin the propaganda work at once. All in favour of the resolution say "Aye."

There were loud cries of "Aye" from all parts of the room, and the Chairman declared the resolution carried.

Votes of Thanks.

Mr. Bastard (Central Board): I have been asked by the Standing Orders Committee to propose a vote of thanks to Mr. Allen for his conduct in the chair during this Conference. There is nothing I could have been asked to do which would have given me greater pleasure. There are many friends here who can remember Mr. Allen presiding over the Congress at Newport; how he lifted it up in that dignified manner of his; how he conducted the whole proceedings in a kind and genial manner; and the very excellent

address he gave us on that occasion. From that moment onwards we could not help but hold him in the highest esteem. He has presided over this Conference in a very dignified manner, and he has helped us all to conduct ourselves in a very high and becoming manner. (Applause.)

Mr. Gerrard (Glasgow): I have the greatest possible pleasure in seconding this resolution, first, because it will need no speech to commend it to your acceptance; and secondly, because I know in your enthusiastic acceptance of it you will impress Mr. Allen with the fact that he has presided over this gathering with credit to himself and with entire satisfaction to you. (Applause.) Further, I would say we have had a number of chairmen, and we have had a variety of chairmen and if I were asked to describe Mr. Allen's chairmanship I would say what I have said many times "he is as good as any, superior to many, and inferior to none." (Applause.)

The resolution was endorsed most enthusiastically, and the Chairman when he rose to respond had to pause whilst the audience sang "For He's a Jolly Good Fellow."

The Chairman's Thanks.

The Chairman: I have no words at my disposal to express my thanks to you for the splendid way you have received this vote of thanks. I am really delighted with this Conference. Alderman Williams said to me, going into an ante-room, "Why, Allen, this is greater than Swansea"; and you know what Swansea was; it was reputed to be the finest Congress in the history of the co-operative movement. This has been a splendid Conference. We have a great work to do. We have pledged ourselves to this great work, and if I know this movement aright, it has within its ranks, no matter whether they have been through colleges or not, some of the finest thinkers, so far as the workers are concerned, the world knows; and thinking, and with that sympathy and good character which we possess, I sincerely trust we shall go forward until our goal is achieved. Let us help to do all we can to build the world better than we found it, when we came here, each learning, each teaching, each helping, to be of mutual service to each other. Let us pursue our way, determined as far as in us lies, to hasten with all our powers the day of that co-operative commonwealth which we are all seeking and to which we are all

looking. I thank you most heartily for the splendid manner in which you have behaved, for the patient way you have listened to every speaker, and for the statesmanlike manner in which you have dealt with the various amendments and resolutions. I feel sure after the enthusiasm that has been put into our work here, and after the splendid demonstration we had in the House of Commons last night, that if there be any Parliamentarians left who do not agree with our demands, or refuse to accept our principles, or foster our hopes, or care for the things we deem best, from this Conference forward they will at least know what our aims are; and knowing what our aims are, if they do not do the things we desire, which are right and just, let us learn from this day forward to do them for ourselves. I wish you all a safe journey home (Applause.)

The scheme relative to Parliamentary Representation, as amended at the conference, is given as an insert.

APPENDIX.

Deputation to the Prime Minister.

MR. LLOYD GEORGE ADMITS SIGNIFICANCE OF THE CO-OPERATIVE MOVEMENT AND REPUDIATES TREATMENT AT TRIBUNALS.

EXCESS PROFITS DUTY.

An influential and representative deputation from the co-operative movement waited on the Prime Minister at 10, Downing-street, on Wednesday, October 31st. It consisted of Mr. T. W. Allen (chairman, Parliamentary Committee); Messrs. W. T. Charter, S. Galbraith, M.P., W. H. Watkins, and G. Wilson (Co-operative Union); Messrs. T. Killon (president), P. Coley, W. E. Dudley, and W. Lander (Co-operative Wholesale Society); and Messrs. R. Stewart (president), W. Gallacher, T. B. Stirling, and G. Thomson (Scottish Co-operative Wholesale Society).

With Mr. Lloyd George were Lord Rhondda, the Rt. Hon. George Barnes, M.P., and several officials of departments. The deputation was introduced by Mr. H. J. May (secretary to the Joint Parliamentary Committee).

Deputation's Opening Statement.

Mr. Allen (chairman of the Joint Parliamentary Committee) said : While regretting the necessity of taking up a single moment of the

Prime Minister's valuable time, we are happy to have the privilege of this interview being accorded. This deputation represents three-and-a-half million co-operators. Taking the low average of four to a family, it works out at no less than twelve millions of the British population who obtain the bulk of their life's necessities in the nature of food supplies from the co-operative stores. It was an instruction given at our Congress in May last that certain of our grievances should be brought to the notice of the Prime Minister. Had you seen us earlier, some recent co-operative history would never have been recorded. You may have been unaware of the gravity of the position in which we found ourselves. From the activity displayed by your "Intelligence department" we concluded our case is well known to you. We are now wondering whether or not that activity was a piece of espionage. We complain, first, of the derogation of the rights of an organised body of citizens and consumers. Government departments, we understand, have been warned by vested interests that we need watching rather than recognition. There is always a difference of opinion as to the movements dangerous to the Empire. If it is understood that the social chaos in which we find ourselves through having allowed capitalism to grow is dangerous to the State, then we admit the impeachment. If advocating well-devised means of keeping people well-fed without profiteering is dangerous, we plead guilty. If a determination to press our ideas on the country and the State, in order to come to grips with a system of industry which threatens our existence, is a crime, we shall have to continue our efforts to propagate them. It may be known that in most European countries since the outbreak of the war organised co-operation has been used by the Governments to assist in national affairs and in national welfare. It is only in our own country it is not recognised. We feel that we have failed to be recognised by the Government, either because the class against us is too powerful to be resisted or because you think our methods and principles have no national application. May I repeat our demand in regard to food control? Although a voluntary organisation, we have urged the direction and absolute control of the State in all matters of production and distribution, right from the sources of supply to the consumer. To this end we offered the services of the movement to Lord Devonport, and subsequently to Lord Rhondda, whom I am happy to see present. To

us the one thing that matters is that, whatever the supplies available, they shall go round on a basis of equitable rationing without profiteering. Last Thursday the London Chamber of Commerce passed a resolution that the Government should cease to act as trade intermediary between producer and consumer. These people undoubtedly find favour. We have no official or responsible connection with your Ministry. The official position offered by Lord Devonport, and accepted by us, was never put into practice. We think that we know the reason why. A stand has to be made for the consumers' interests against the traders' interests. We are brought face to face, Lord Rhondda tells us, with a serious crisis. There is a food shortage, and this is possibly likely to become even still more acute. For the country's sake there is one clear and pressing duty to win over the consumer to your side. Mr. Bonar Law, in receiving a deputation, said that the conscription of wealth, if possible at any time, was impracticable during the war. That is exactly what has happened to us. The little wealth which comes from the consumers' savings have actually been conscripted by Act of Parliament. The two mites of the co-operator have been ruthlessly swept into the Treasury, and we are still further threatened. Notwithstanding the pledges given, you have threatened to surrender us to the tender mercies of a Commission. The tribunals, taking their cue from this, have treated us outrageously. We have had our shops closed, and the last man taken, on the ground advanced by the military representatives that co-operators ought not to exist. We have been definitely told this.

Prime Minister Surprised.

The Prime Minister: Who said that?

Mr. Allen: I am able to give you the data.

The Prime Minister: I am surprised. All I can say is that it is a piece of impertinence on the part of the military representative. He has no right to say that. I should like the name of the military representative. It is most improper language for him to use.

Mr. Allen: They excuse themselves on the ground the co-operative societies pay no income tax.

The Prime Minister: It is not their business.

Mr. Allen: The burden of our complaint is that they have taken away men on this ground. These are some of the reasons why we

desired to see you ; it was only after exhausting other means of getting consideration that we decided to come to you. We have sought to establish a better order by entering the political arena. May we venture a suggestion that it is time the domestic policy of the Government came into line with its war policy ? Of late, the sign is up on most of the doors of Government Commissions, "No room for co-operators," by order of the vested interests. The Departments of State have denied us a place in the social order. All our rights are derogated, and the enemy is securely entrenched. How can we effectively demonstrate the value of our organisation ? Something bold will have to be done. If you recognise our existence we shall be pleased to open the door, and to help to organise the consumers as far as we can within the movement. The past cannot be recalled : it is only the future that can be controlled. We do say that as far as foodstuffs go control does not exist. In other words, we ask for an effective rationing of essential food stuffs. We hear of the " ferment of revolution." I can assure you that there is no ferment of revolution so far as the co-operative movement is concerned. My own society, at its board meeting last Friday, passed a resolution for lending, free of interest, to any of the 25,000 employees any sum which they desire that they can repay in eighty weeks to invest in the new War Loan. That has been the spirit all through. We have from 5,000 to 6,000 in the Army ; we have consistently paid their wages. We leave the ferment of revolution to those who are seeking new methods for carrying on civil war amongst the people. We stand for a peaceful evolution of commerce and industry. We find ourselves menaced from within and from without the Government. We can deal with the outside, but we do ask that you will not be a party to any propaganda which will bring us to the ground. The strength of our position is our right—a right of equality in law : the right to a place and a share in all these new activities which have for their object the keeping of the nation together. That, in general, is our appeal to you. More detail will be furnished by the following speakers.

C.W.S. Chairman Speaks.

Mr. T. Kilbon (chairman of the C.W.S.) said : No one regrets more than I do that there should be a national crisis amongst any part of His Majesty's subjects. Before dealing with the definite prob-

lems, seeing that Lord Rhondda is here, I desire to call attention to one matter. On May 11th, 1916, Colonel Percival issued a warrant, which was soon carried out, directing warrant officers to visit our place in Leman-street. Without going much into detail with regard to the warrant itself, what I would particularly like to inquire is, on whose advice the warrant was issued. It is the only place in the City where such a proceeding has taken place. The only conclusion we can come to is that the advice was given by a competitor, in order to get an inside view to ascertain the position which we occupy in the tea market. It was unjustifiable and unwarrantable. Had I been present at the time I should have resisted by force. We would have brought the matter before the country, and by this means we should have got the information why the warrant was issued. In dealing with the question of food control, I admit that Lord Rhondda is making a real effort to deal with a difficult problem. You have appointed a representative on the Control Committee as Director, without a salary; that has been the curse of the whole business. If you put these men in responsible positions you ought to pay them for the service rendered. I believe we shall then get a result satisfactory all round. What is the position of tea? I don't know anything which has caused more unrest and uneasiness than the question of tea.

The Prime Minister: Not even beer. (Laughter.)

Mr. Killon: You have got through with the beer much better. The only solution is to control the tea absolutely from the grower through to the consumer. The only solution of it to my mind is one blend of tea, and only one blend of tea at a uniform price. No one knows better than Lord Rhondda what has taken place in regard to the fixed prices. It has been simply cruel. That men should have sought to make personal gain in a national crisis is most deplorable. I was present at the interview with Lord Rhondda, and I know his feeling in the matter. With regard to sugar. On June 6th, 1916, with a view to testing the sugar market, we passed an order through—I am finding no fault with the way the Department was conducted. It was decided that at that time sugar should pass through no hands except those acting prior to 1914. If the broker did not do any trade during the war he would still get commission at the pre-war rate. One fears that in these cases vested interests must be maintained at all costs. I don't find fault

with the administration—I find fault with the principle. With regard to flour, in this matter there is no direct evidence; it is a difficult thing to follow the varying influences. A most remarkable thing took place throughout the movement as a whole. I will give you one typical case. A society has built up a trade of 1,600 sacks of flour a week; that trade fell to 300 sacks a week, because a supply of flour of a more suitable character was being offered to their competitors outside. This kind of thing impressed people that there was something wrong—something not fairly administered. That is the reason we made a statement at a meeting in London that if this state of affairs was not altered we should have to oppose the Controller's orders. With regard to seeds, under an Order, an advisory committee has been appointed, and all sections of the trade have been consulted before the committee was appointed, and everything has been done under the Order. One paragraph runs something like this: "asking societies and individuals and all classes to purchase their seeds under certain instructions at the local seedsmen. At the present moment we have a department in connection with the supply of seeds; we are working in complete harmony with the A.O.S., of which Mr. Leslie Scott is chairman. We have met and considered what is the best means of working a scheme in connection with allotments. We are coming to what I believe is a very satisfactory conclusion. Both sides agree that it can be done. This new Order comes out from the Advisory Committee as to the placing of the orders, before we had been consulted. We did not know of the existence of the committee at all.

* The Prime Minister: That will be a matter for the Board of Agriculture.

Mr. Killon: There is another phase of the subject, and I think I have done. I have not been able to understand why we were advised to take possession of all the butter it was possible to obtain in Denmark. Of course, I have attended at the Foreign Office in this matter, and I have a fair idea of the arrangement between the two countries. Recently we had a stock of butter, and it appeared that there was likely to be a surplus. There was a strong feeling that the butter should be distributed, and we offered the Government 25,000 casks. Had it been accepted, it would have been a very useful commodity at the present time. At the time of which

I am speaking, we were offering it at 200s. We got a reply that there was an abundant supply of the butter, and they could not see their way to accept the offer at all. From that day butter has gone up from 200s. to 400s. These few things have caused a considerable amount of uneasiness. When the question of income tax is discussed, we are told that we are undermining the private trade of the country, and absolutely ruining it. Allow me to tell you that there is no private trade in the country, and has not been for many years. There are multiple shops, which are a separate class, and not private traders.

The Prime Minister: What do you mean by no private trade? What about the little grocery shops?

Mr. Killon: These are a small quantity in the country as a whole. Take two or three large multiple shops—it is hardly fair to mention names.

The Prime Minister: Taking the number of people who own small businesses there are hundreds of thousands in this country.

Mr. Killon: The trade proportionately on the whole is small, and a gradually diminishing quantity.

The Prime Minister: You cannot say there are no private traders when there are hundreds of thousands.

Mr. Killon: Not in the sense of private traders twenty-five years ago.

The Prime Minister: Take my place away in Wales, they are all little private traders. There are no big firms there at all.

Lord Rhondda: Are we not dealing with a tendency. The bulk of the trade is in the hands of the small trader.

Mr. Killon: Not if you go into it, my lord. When the question of income tax is being discussed we are described as a kind of octopus whose tentacles are drawing in every part of the trade. When it is a question of representation, we are told that our trade is insignificant, and that we ought not to have recognition. I want to remove an impression which exists in the minds of some people connected with the Government or permanent staff. There is an idea that we are a kind of pro-German body.

The Prime Minister: Do give us credit for at least some common-sense. You are the last people in the world that I should suspect of being pro-Germans. You need not labour that.

Mr. Killon: In the initial stages of the war, we decided to make

up the wages of our employees called to the colours right the way through. This has cost the English Co-operative Wholesale Society £393,000, or a weekly charge of £4,060. 344 men have given their lives on the field. Our members have no pacifist or pro-German views. It should be remembered that in the hour of trial, this movement stood by the country and did what was right.

Scotland's Voice.

Mr. Stewart (chairman of the S.C.W.S.): We have also done well with regard to the employees who have joined up, and this has cost us a vast sum of money. We have made up their wages, and no doubt this will be continued until the end of the war. In Scotland, we are a little different as regards flour. We are in the habit of using a harder wheat, and we have felt the change a severe check on our business. Societies have complained of the quality of the bread. The bread has been so bad that the miners decided to take an off day as a protest against the quality. We have done everything possible with a view to having that rectified, and up to the present, although there has been a slow improvement, we have not got just what we should like. We are not unreasonable; we admit that in these trying times we cannot get everything possible the same as under normal conditions. We feel that the class of wheat sent along to the mills necessary for the conduct of our business is unsatisfactory wheat. We have a man in Winnipeg who has been interfered with by the Government taking over his wheat. We felt that we should have been some assistance to the Wheat Commission. We have been badly hit because we are the largest millers in Scotland, as the English Wholesale Society is in England. We require 13,000 quarters of wheat to keep the mills running. Our milling concern is second to none in Scotland. I think that you will admit that we have a claim to be reckoned with amongst the biggest people in the country. The question of the imported flour has been a grievance with us. We are millers, and we have but little imported flour in normal times. The allowance we get is something like a week's supply in the year. We should like if something can be done to increase the supplies. If anything could be done to secure a larger proportion of the imported flour it would certainly result in a better spirit being promoted

amongst the ranks of the industrial classes. We feel that in connection with the bread that co-operators ought to be placed in the same position as other people: we do not want any privileges. We should like the whole question placed on an equitable basis. We have another grievance. We have been in the habit of paying carriage on the flour; we are told that this will have to be stopped. As co-operators, we are supplying ourselves, and you have no right to say whether we should charge 18s. or 20s. Our profits are pooled; we don't come into the same category as ordinary traders. There is the question of butter. When the Butter Committee was appointed, a representative was elected from the C.W.S. and one from Ireland. I suggested that one should be appointed from Scotland; we are the largest people in butter in Scotland. I suggested a man to be put on the Committee, but he was objected to. It was said that they did not want too large a Committee. They probably thought that if a man from the co-operative movement were appointed the private traders would want one too. Some two or three weeks afterwards I discovered that the Committee had been increased to ten, and there were representatives of the private traders from Glasgow, Manchester, and Liverpool.

Lord Rhondda: My impression was that you had two representatives on it; there is Mr. Lobb and Mr. Hegarty.

Mr. Stewart: Mr. Lobb is a representative of the English Wholesale Society. Mr. Hegarty is for Ireland, and does not represent the co-operative movement at all. We ought to be, as we represent one-third of the population in Scotland. As regards sugar, we feel that we have not been treated fairly in regard to the excess sugar allotted to munitions areas. In the city of Glasgow excess sugar has been given through wholesale grocers. We are the biggest sugar distributors. We pay £400,000 duty in the year. The method employed in dealing with the excess sugar has created irritation and ill-feeling in the minds of our people. In the appointment of a Wheat Commission we have no Scottish representative included. The Scottish method of dealing with wheat and flour is a little bit different from that of our English friends. Consumers were not represented on the Commission as they should be: the bulk of the members are brokers in connection with the wheat business. Seeing that I am now appealing to you in your proud and responsible position of Prime Minister of this country, I hope some of these grievances

will have immediate attention, and the Scottish co-operators will have recognition on some of the committees which have been appointed in connection with the management of foodstuffs of this country. I should like briefly to refer to the commandeering of our hams. Our English friends are in the same position. We bring hams across from the other side. When we get them across to Glasgow we find that they have been commandeered by the Government; we have no objection, if others are commandeered in the same way. What we object to is the special treatment of the movement, leaving many stores without hams for a number of days. If you can do anything to rectify this, I can assure you that this will repay us coming here; and we hope that these matters will have your earnest and immediate attention.

Mr. H. J. May (secretary to the Joint Parliamentary Committee): Before dealing with the two matters of taxation which I am to speak upon, perhaps you will allow me to refer to the remarks of the last two speakers with regard to the figures they thought it necessary to give you as to the number of employees who have gone on active service. The figures give a totally inadequate indication of the number of co-operative employees on active service. The figures given were those of the two Wholesale Societies, and these leave out of account 1,500 or 1,600 retail societies throughout the country. I hope that these figures will not be made use of. Both Mr. Killon and Mr. Stewart have dealt mainly with points concerning the Wholesale Societies which have come personally under their notice, and on which they have special knowledge. May I suggest that our position is much wider than that, taking into account the 1,500 distributive societies in the country? Our disabilities were set out in more general terms, and the ground was covered more completely, in the opening remarks of Mr. Allen. With regard to the questions of income tax and excess profits duty, it is not necessary for me to argue as to its basis in the presence of the representative of the Board of Inland Revenue, who, to my personal knowledge, is an absolute expert in this matter. I am going to put before you just two or three points. The first point is that during a crisis in the nation's history, we should be called upon in self-defence to enter on a campaign of resistance to the private traders' organisations on a question of income tax. The agitation promoted by these associations against our societies

stretches over a period of twenty years. The matter was gone into thoroughly in 1904, and reported upon in 1905. **All we ask you is to consider the case on the basis of the report of the Committee of 1904, and on the various memoranda prepared by the Board of Inland Revenue from time to time dealing with this matter, and the document recently issued by the Treasury on the subject.** Our case can stand solely on what the Government and the administrative departments have put forth. Our concern is with regard to the inquiry which it is proposed to make at the end of the war, and which we consider is unnecessary and unjustifiable. Our demand is that the Government, having established our case incontrovertibly according to the arguments of their own experts, should make it clear to the House of Commons, and effectively counter the agitation which, so far from decreasing, is increasing during the war. I venture to suggest that no subject in the House of Commons during recent years has called forth more questions to the Chancellor of the Exchequer than this one of income tax, and certainly there is no subject on which the answer has been more consistently in the same terms, stating in what is, to us, a perfectly satisfactory manner the position of co-operative societies. We ask that this statement of our claim should be asserted as the basis of our position. Then there is the matter of excess profits duty imposed by the second Finance Act of 1915. We want to say that it was first of all passed in recognition of the principle that I think is admitted by both Chancellors of the Exchequer who have dealt with it, that it is a war emergency measure. Even so, it is generally admitted that it should be imposed on profits which exist, not on profits which do not exist. Mr. McKenna, in answer to a question in the House of Commons, said we did not make profits, but only a discount or saving. In reply to a supplemental question, he said he was going to tax our excess profits. I want to say in contradiction to Mr. Donar Law's statement when the Finance Bill was under discussion, and also a statement made by Mr. McKenna, there was never any bargain or agreement between the co-operative movement as to the imposition of this tax on our societies. I cannot briefly give these details, therefore, I ask you to accept my statement. The tax is unfair in its incidence. Mr. McKenna urged in the House of Com-

mons the necessity of some amendment, and Mr. Jones Law against his will, as evidenced by his speeches, gave way on the report stage. He introduced an amendment imposing the tax on an alternative basis, which, by the way, is still waiting to be worked out in detail. At the same time he managed in the provisions connected with the amendment, to saddle us with such an arrangement as will secure all that is left of the income tax agitation against us, which has a shadow of justification in principle—that is the question of non-members' trade. We are not able to take advantage of the alternative basis unless a separate account is kept, and in going to considerable expense to prove for the information of ourselves and auditors, as to the approximate proportion of the non-members' trade, which we assert to be less than 1 per cent. Gentlemen like Mr. Peto, Mr. Currie, and Mr. Pollock told fairy tales as to the extent of this trade; they have not brought a tithe of proof. I have produced proof that we do not do that trade. The only alteration of the law we suggest is that the incidence should be removed from the co-operative societies, and that they shall be based on the original position in regard to income tax as is laid down by the Treasury. We do not make a profit as a result of our mutual trading. That is the beginning and end of the story.

Plymouth "Doesn't Intend to Pay."

Mr. W. H. Watkins (Co-operative Union): I desire to substantiate what Mr. May has said with regard to the imposition of the excess profits duty on co-operative societies. You will, from your experience, know just the functions of a co-operative society. A co-operative society is usually comprised of the working classes in districts, whether industrial or agricultural. These people are driven, from the circumstances in which they live and work, to adopt some means of making their wages go further in support of their families, and the co-operative society is one of these means. Co-operation enables the working people of this country—practically three-and-a-half million heads of families—to save for themselves what would otherwise be profits in the hands of the retail traders and some of the merchant class of the country. They buy their goods in bulk from the merchants for distribution amongst themselves at ordinary retail prices. At the end of the quarter or half-year they find that by so doing they have a surplus, this being the difference between

the wholesale and the retail price, less the cost of distribution. This is distributed amongst the members.

The Prime Minister: After meeting establishment charges.

Mr. Watkins: Less the cost of distribution. The surplus is equitably distributed amongst the members in accordance with the amount of the purchases saved to the people. Our position is that co-operative societies in doing that work do not make profit. They might make a profit if goods were sold to non-members, and there was no distribution of dividend at the end of the period, but really that is a negligible quantity as far as the trade generally is concerned. Well, in spite of that fact as it would appear from the reports of the utterances of Mr. M'Kenna, who is responsible for levying the excess profits duty, we, as co-operative societies, are brought into the operation of the excess profits duty, as contained in the Act of December, 1915. If you examine the Act in detail, you will find nothing in the measure itself which implies or indicates in any way that it is intended to apply to any other people than those who make profits and excess profits. In the fourth schedule, there is an obscure portion, and you will find a paragraph which gets round, so to speak, the co-operative movement and brings it in. It makes the co-operative society liable in the same way as the ordinary trader for the excess profits duty. It puts the co-operative society in the same category as the profiteer, and that is what the average co-operator resents, quite apart from the injustice of the case. The average working man resents the fact that in 1915 he was pilloried as a profiteer in the House of Commons by this Act, and made to appear that he actually robbed his fellows in the same way as these other people have been robbing their fellows since the war began. At our Whitsuntide Congress, at Swansea, there was an indignant protest made, and a resolution was passed calling for a repeal altogether of this provision which drags the co-operative societies into the operation of the Act. That resolution was repeated at a National Conference, in London, a fortnight ago. The secretary furnished figures to the amount of money which has been unjustly, unfairly, and inequitably pulled out of the co-operators' pockets in this way. My own society, at Plymouth, was actually assessed for the first year in the sum of £14,500, and in the second, £26,000 odd in so-called excess profits. We have not paid a far-

thing, sir, and I think I am speaking for our other 55,000 members when I say that we don't intend to pay, unless the Government sells us up. There are 15,000 men working in the dockyard who, if the Government sells us up, will want to know why. After the Jutland Battle, there were thirty newly-made widows belonging to our society in one street; are they to be called upon to pay excess profits duty under this precious arrangement? I want to put it very clearly, there is a strong feeling in our community, which I feel sure is extending to other communities in regard to this matter. Personally, I believe the influence referred to by the chairman (Mr. Allen) and other speakers—the influence of the private trader—has been at work, and malignantly at work, as far as we are concerned, otherwise I cannot conceive such a thing as that could be perpetrated in the British House of Commons. We were greatly taken aback when we learned all that was implied in this. After some consideration, we resolved to take the opinion of eminent legal gentlemen—two public men—as to the equity of the arrangement. We saw Sir John Simon. After going into it very minutely, he came to the same conclusion that we had done, that it was unfair and inequitable. We went to Sir Edward Carson. In ten minutes, Sir Edward dropped his papers and said to me: "It is unjust." We are here to say to the Prime Minister of this country that we want that injustice removed. We ask for a full examination of the whole circumstances. We are convinced that we have been unjustly and unfairly treated in Parliament by the application of this duty to us.

Mr. W. T. Charter (Co-operative Union): In dealing with the question of military service as affecting the co-operative societies, I have in mind the strong feeling expressed at the recent conference in a building close to this, as to the treatment which the co-operative societies have received at the tribunals. I want to endorse what Mr. Killon has said, and what has been said by subsequent speakers, that you have in this country no more loyal set of people than co-operators. You have no one who has done more in the country's interests from a military point of view than the co-operator. Take the C.W.S. alone. Mr. Killon has told you how they have encouraged recruiting by allowing every man who has given his services his wages during the time he is serving with the colours. That charge on the C.W.S. means just about a quarter-of.

a-million pounds a year. That is a position, I submit, which cannot be beaten in any other trade organisation, if it can be equalled. The same thing has been done by many of the 1,500 distributive societies up and down the country. I know many societies that give every encouragement to recruiting, where the men are paid full wages, with a guaranteed allowance to the wives. When you consider what has already been pointed out that our membership consists of the working classes, and, whilst recognising the part all classes are taking in the war, they are feeling the result as keenly as any class. It is within the knowledge of these working-class members that the co-operative movement is the only interest which stands between them and complete monopoly; because they look at the movement as the only disinterested movement in supplying the necessities of life. They know perfectly well that the influences which are working to still further reduce the spending value of their money would be enormously strengthened if the C.W.S. and the distributive movement were removed or even weakened. They strongly resent anything which they feel to be an unfair treatment by the tribunal military representative, when their interests are being considered and the cases of their men are being reviewed. I repeat that we are willing to bear our share. Some of the influences which have been referred to by other speakers have made themselves felt even in matters dealing with military service. These men know perfectly well that the composition of the tribunals does not lend itself to an equitable consideration of the cases, considering that they are composed, in many instances, of men who are their rivals in trade in the immediate vicinity. The Military representative that has been appointed to deal with the cases coming before the tribunal has been in some cases a director of that form of commerce which in every way is opposed to the co-operative system of trading. Given these two points, you will see how hard it is to convince the working-class members that the societies have not been especially badly treated, particularly when the last man has been taken from the shop. We have been told at these tribunals that the co-operative shop is not necessary—it will be no hardship if the shop is closed. We submit, from a knowledge of the working classes and the knowledge of the treatment of co-operative employees by the tribunals, you have stirred—and will stir—up a feeling of unrest that will be very hard to allay. That feeling of unrest found voice

in the building at Westminster I have already referred to. Whilst prepared to take their proper share they are not prepared to bear such a share which will lead to the weakening of the co-operative movement, and the weakening of collective ownership and bargaining. I can give you a case myself amongst those which have come to my notice. I know a society, where, at the commencement of the war, there were 104 men of military age. The directors of that society encouraged everyone of the men to attest under the Derby scheme, and to offer their services voluntarily. In only one instance did they appeal, and this was in the case of a responsible accountant, a married man. The present position is that 102 men have been taken out of 104, and that 55 per cent. of the branches have not a man in them. Only recently the last man was taken from a shop doing a grocery and provision trade in a working-class district of something like £600 or £700 a week. Although the man was taken into the army, he was recently discharged, having spent nine or ten weeks in hospital, and was actually never in the army at all. I claim that the treatment meted out to the co-operative movement has not been fair at all. In my opinion the reason of this bad treatment is not the getting of men, but the weakening of the co-operative movement by our trade opponents. We have given every facility in assisting the nation as individuals; we have sons who are serving and who have voluntarily offered their services. We cannot be charged with being unpatriotic, or unwilling to do our duty. I want you to take notice of this case. I appeared before the Appeal Committee on behalf of our men. We have a village store which serves a proportion of the inhabitants—we had taken over a small store which had existed previously. I asked, in the interests of the general community, to be allowed to retain one man. I have correspondence which took place at the time bearing out my statement. The Military Representative said: "This society has done nothing to help in the war. He has appealed for a man. If you take him from the management you will give a better living to the man in the village." I turned to the Military Representative and said: "In my opinion you have far exceeded your right. It is abundantly clear that what has been my belief and is now my conviction, that it is more important from your point of view to close the co-operative branches than to get men for the British army." I sub-

mit that we have a grievance worth investigating, and I trust that attention will be given to the matters mentioned.

Mr. May: That is our case, sir.

PRIME MINISTER'S REPLY.

His Sympathy for the Co-operative Cause.

The Prime Minister: The first thing I have to tell you—and I should not think it necessary to tell you, had I not seen it in the papers, that I was guilty of an act of discourtesy towards the co-operative movement—no Prime Minister has received in a shorter space of time as many deputations from working-class representatives as I have—no Premier, without exception; and I have done so in the middle of a great war, when I have gigantic responsibilities on my shoulders. I have not refused to receive a deputation from any working-class organisation in this country. At a very critical time, when two or three questions of vast moment were pending which took up time here and in Parliament, and I was also running over to France, I was asked to receive a deputation from the co-operative societies. I said at that moment that it was impossible to do so in a letter which I had not seen until afterwards. It simply said “for the present.” I received no further request until Mr. Barnes said there was a good deal of dissatisfaction that I did not receive the deputation. That was the first I knew about it. I said to Mr. Barnes:

“Certainly I will receive a deputation. I communicated a letter, and I got an answer indicating that they preferred to have a meeting to denounce me for not receiving them.”

Mr. May: That is neither a fair nor accurate statement of the case, either as to the correspondence or the actual facts.

The Prime Minister: I said for the present I could not receive a deputation.

Mr. May: Three other letters were sent in your name.

The Prime Minister: I said for the present I could not receive a deputation. I got no request after that.

Mr. May: We thought three failures sufficient.

The Prime Minister: I have no recollection of anything of the kind at all.

Mr. May: The letters are here.

The Prime Minister: I have a recollection that as soon as my attention was called to the matter by Mr. Barnes I said that I should be happy to receive the deputation. At that time you preferred to have a meeting, and to make a statement. I want to make it absolutely clear. Certain statements which have been made seem to suggest that I was perfectly prepared to receive a deputation from certain classes, and not one representing workmen. It is a deliberate falsehood. On the contrary, I received more deputations—I repeat it—from working-class representatives than any other Prime Minister who has ever sat at this table. I only refused to do so on that occasion because I found a difficulty from exceptional pressure. I have urged repeatedly that the co-operative societies should have a full share of representation. Lord Rhondda agreed with me. Lord Rhondda has not any prejudice against the co-operative societies. He has every sympathy with them; no man knows better than he the admirable work they have done, in industrial districts especially. Lord Rhondda wrote a special circular calling the attention of the local authorities to the desirability of putting co-operative societies' representatives on these committees.

Mr. Gallacher: It should have been made compulsory.

The Prime Minister: That is the fault of the local authorities, and not the fault of Lord Rhondda. I want to say on his behalf, and it is equally true of me, we are both without any prejudice against co-operative societies. **We have a strong sympathy with them, deep appreciation of the work accomplished, and full knowledge of the significance of the movement in the organisation of society in the future.** Therefore, to treat the Government as though they are engaged in some sort of sinister conspiracy through agents and spies to destroy co-operative societies, believe me, I have only one word for it—hallucination. It is ludicrous, especially having regard to the conversations which we have had many times on the question of the importance of seeing that the co-operative societies are fully represented. There has never been the least syllable of espionage. I have been urging, and Lord Rhondda agrees with me, that it is important to have a co-operator

on his staff at his elbow, so as to avoid most of the things which Mr. Killon has referred to. Lord Rhondda properly wanted to find out the best representative, and one who stood well with his fellow-co-operators, commanding confidence, and the man with the greatest practical experience. This is a practical, not a political problem; it deals with butter, tea, sugar, and other commodities. Lord Rhondda was anxious to find out the man able to give the best advice and the best assistance, and fairly, from a practical point of view. Whether his officer took the most tactful method of instituting an inquiry is another matter. That is not espionage; there is a great chasm between tactlessness and espionage and any more which was of a hostile character. Now I come to the other points raised—you will forgive me taking advantage of the first chance of giving one back. (Laughter.)

I am not going to discuss the particular grievances which have been mentioned. I am glad that they have been mentioned in the presence of representatives of the various departments. I can see how important it is not so much to deal with the individual grievances, but that there should be someone there who will be able to check these things, and to make it impossible that they should be repeated in the future. Lord Rhondda quite agrees with me, and fully sympathises with the point of view as to the importance of your case not being merely put by a deputation, but that you should have someone there with a full knowledge of the methods of doing business, who would be able to keep an eye on what is going on—not to fight for the co-operative movement. (Once you are the case as advisers to the Government, it is really very important what view you get as wholesaler or retailer, for if you merely fight for co-operative business that is bad. (Hear, hear.) A man in a Government department ought not to be for one or the other—he should use the experience acquired in trade in advising the Government as to how the best method of preventing profiteering—seeing that the gigantic organisation which covers three-and-a-half million families is fairly treated not in the interests of the society, but in the interests of the consumer. Therefore, what is vital is not that I should tell you about the Scottish matters, and as to the tea, sugar, and other matters mentioned by Mr. Killon, but that these particular questions should be put right, and that there shall be someone with full knowledge at Lord Rhondda's elbow who will

be able to see that these matters are put right, and to provide any further securities which are necessary. Lord Rhondda agrees with me on this point.

With regard to the excess profits duty (continued the Prime Minister), that was a tax imposed by Mr. McKenna, in December, 1915. I understand that the main part of the grievance, apart from the sentimental, which I do not minimise, has been put right. Mr. McKenna's Budget, of 1915, imposed excess profits duty upon a basis which it is now acknowledged as indefensible. That has been put right by Mr. Bonar Law in his recent Finance Act. I wish that Mr. Bonar Law could have been here. I have had a note from the House of Commons saying he was hoping to be here before this, and was actually leaving the House when somebody moved to report progress, on account of his not sitting on the bench, and he had to come back. It was quite impossible for him to be present to deal with this particular part of the business; he knows it thoroughly. I was depending entirely on his presenting his case. I promise to place before him officially the case submitted this afternoon.

With regard to the tribunals, I have no hesitation in saying (proceeded the Prime Minister) that the military representative used language which was grossly improper. I understand from the representative of the National Service Department that it was made quite clear that it was not the officers' business to express their views about income tax and co-operative societies, but to attend to their proper business of seeing that only men who can be properly spared for military service should be summoned to His Majesty's Forces. Upon that subject you need have no apprehension that there will be any repetition of the outrage.

Should there be, I hope that you will communicate at once to Sir Auckland Geddes, who will summarily act in the case of any offender guilty of an act of this kind. I think I have dealt with the various points raised.

Mr. May: There is the question of income tax

The Prime Minister: I am rather handicapped, as the Chancellor of the Exchequer could not leave the House. For the moment I

do not feel competent to deal with the problem. It is not an immediate question.

Mr. Barnes: Mr. Montagu told the House that it would be held up until after the war.

Mr. May: Mr. Bonar Law has said that the position was such in the House of Commons that at any time they might place upon us additional taxation.

The Prime Minister: The House of Commons might force it on the Government—that is another matter. I never heard that it was the intention of the Government to impose any income tax on the co-operative societies.

Mr. May: I think it comes of a wrong interpretation of a speech made by Mr. Asquith before the war.

The Prime Minister: The Government has no intention of imposing this income tax. We have not discussed the question. It is not a matter of practical politics.

Mr. Charter: May I ask a question on the statement you have just made that the application of the excess profits duty on co-operative societies is wrong in principle? What becomes of the sums already paid if the tax is wrong in principle?

The Prime Minister: There you have me at a disadvantage; I am not prepared to answer in the absence of the Chancellor of the Exchequer. I am afraid I cannot give you an answer without conferring with him on the subject. Let me say generally, no one ever challenged the integrity of your patriotism, but I think we all recognise that the co-operative societies throughout the kingdom in respect of resources and men have shown a responsive ardour and enthusiasm in the great cause involved in this war. As for co-operative societies being engaged in a revolutionary enterprise and a subverted enterprise to assist Germany, it is the last society in the kingdom to suspect of such a thing. You represent the solid, sound, sensible, and most practical side of the great industrial movement in the kingdom. No one ever heard of wild unreasonable proposals emanating from your great societies. Your patriotism is beyond impugning. You may depend upon it that there is no suspicion of any kind on the part of the Government, or member of the Government. First, let me tell you that we have no grocer in the Government, neither wholesale nor retail.

Mr. May: It is not so long since you had.

Mr. Barnes: He had a rough journey. (Laughter.)

The Prime Minister: Sympathy is not the word. **There is a tremendous admiration for the immense work accomplished by your movement, and a sincere desire to work with you. That is the real wish of Lord Rhondda and on the part of myself.** From conversations I have had with him, there is a sincere desire on his part to secure the active co-operation of the movement and its representatives. I hope to be able to talk over with him the best method by which the movement can be represented at headquarters.

Mr. Allen: I thank you for the privilege accorded us of this interview. We are greatly pleased that our grievances will receive attention, and I trust that hereafter we shall get along peacefully.

The deputation then withdrew.





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